



## EUROPEAN NEWS

## Blow for Krenz as Bonn shelves German summit

By David Marsh in Bonn

THE East German government yesterday suffered a setback to hopes of an early breakthrough on economic aid from the Federal Republic after the date for an East-West German summit meeting was shelved until the New Year.

Mr Hans Klein, the Bonn government spokesman, said that Chancellor Helmut Kohl was now unlikely to visit East Germany for talks with the leadership there until January. Mr Kohl had earlier wanted to travel to East Germany next month.

Difficulties in arranging dates have been put forward as the reason for the delay, in view of a potential clash with a state visit to East Berlin by President François Mitterrand between December 20 and 22.

However, Bonn also has doubts about whether Mr Egon Krenz, the East German party leader, will remain in power in East Berlin after the special congress of the Socialist Unity (Communist) Party in East Berlin between December 15

and 17. Additionally, talks in East Berlin this week with Mr Rudolf Seiters, Minister in the Bonn Chancellor's Office, failed to resolve several knotty questions over financial help.

At the same time as Bonn revealed the travel plan hold-up, the East Berlin authorities announced wide-ranging controls to limit a run on the East Mark and check economic damage stemming from East Germany's border opening a fortnight ago.

To counter unauthorised exports of cheap subsidised goods, retail sales of a large number of industrial products, clothing and food items will be strictly limited to East German citizens and authorised foreign workers.

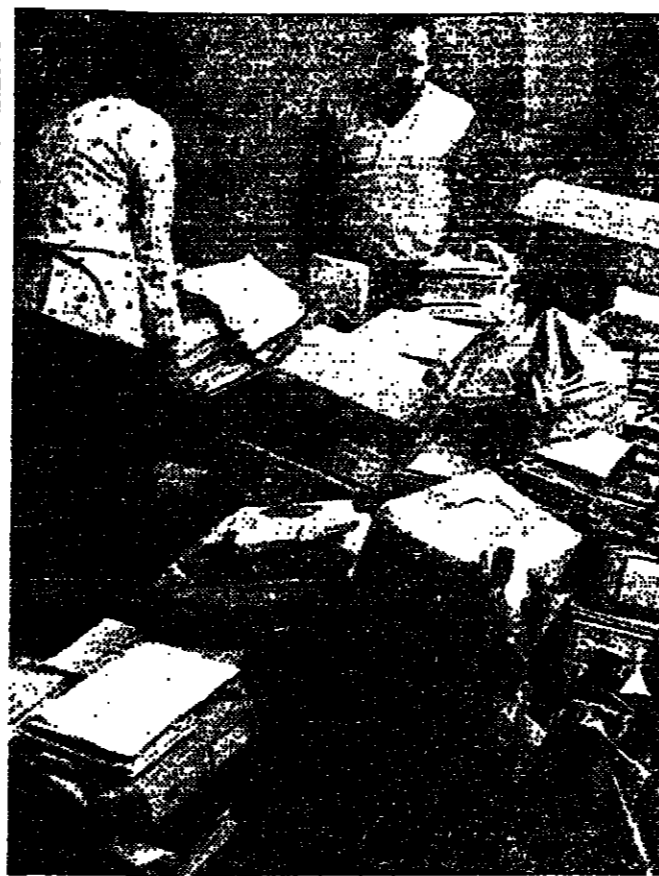
The measure, which takes effect today, is designed to prevent foreigners, particularly Poles and members of the allied forces in West Berlin, from buying up goods with cheap East Marks for re-sale outside the country.

Customs controls at the new border posts leading to West Berlin and the Federal Republic are to be strengthened, according to Mr Wolfgang Meyer, the East Berlin government spokesman.

Mr Meyer firmly quashed talk of a currency reform or a devaluation of the East Mark to restore the health of the East German economy.

He said the East German government planned to cut subsidies and bring in measures to boost production of consumer goods, but "time would be needed".

East Germany has become increasingly restive about Bonn's insistence that fresh new flows of economic aid will depend on concrete decisions in East Berlin to bring in market disciplines in running the economy. Mr Meyer said that talks were continuing on Bonn's suggestion of setting up a joint "foreign exchange fund" to finance travel by East Germans to the West.



A sign of the times: incriminating files at the headquarters of Hungary's former ruling Socialist Workers' Party are destined for the pulping mill.

## Disaffection in the Swiss ranks

William Duiforce on Sunday's referendum

SWISS OPINION polls indicate that a quarter or more of the electorate may support a referendum proposal on Sunday to abolish their army.

A change in the constitution to read: "Switzerland has no army" would be a portentous result in a country where practically every adult male citizen keeps a uniform and weapon at home.

Mr Kaspar Villiger, the Defence Minister, has warned that a vote of more than a third in favour of the proposal would weaken the country's international standing.

Switzerland's militia army, which can mobilise 625,000 citizen soldiers in about 48 hours, has long been regarded as a crucial unifying force in the confederation of multilingual cantons.

Domestically, the camaraderie of the army pervades Swiss society; its hierarchy and discipline strongly influence the economic structure. Success as an army officer can advance a career elsewhere.

Switzerland's citizen soldiers are equipped with more than 800 tanks, including the latest German Leopards, 1,300 armoured infantry carriers (as well as bicycles), about 900 mobile artillery units, 2,400 guided anti-tank missile weapons and 1,300 anti-tank guns. They fly almost 300 combat aircraft and have just ordered the latest US F-18s. They have built runways, artillery posts and ammunition depots in hidden Alpine caverns.

This army costs just under

Sfr8bn (£3.2bn) a year. Defence spending, the Government claims, has come down from 15.5 per cent of the total budget in 1960 to 7.7 per cent this year, at the same time as spending on social services and health has advanced from 20.2 per cent to 27.6 per cent.

When members of the Socialist youth organisation launched a campaign for a national referendum in 1986, their project was widely dismissed as crazy. Three years later, electors are about to vote after a thorough and (by stolid Swiss terms) passionate debate.

The referendum may be doomed to defeat but it has clearly provoked a re-thinking of the Confederation's defence priorities and promises to stimulate changes of attitude within the military hierarchy, not least towards the treatment of conscientious objectors. Many of the latter have to serve prison terms without being offered the alternative of civilian service.

Despite the backing it has won from some unexpected quarters, the referendum has been opposed by almost the entire political establishment.

The Federal Council (Government), Parliament and the three big bourgeois parties who back the Government have all formally and sternly rebuffed the proposal. The Socialists, who participate in the governing coalition, have left their party members free to vote.

## Government sworn in for Greece

By Kerin Hope in Athens

GREECE'S NEW all-party Government, led by Mr Konstantinos Karamanlis, a former central bank governor, was sworn in yesterday with a brief to carry out much-needed economic and educational reforms during its five months in power.

The 26-member cabinet reflects parties' strength in Parliament, with Conservatives taking eight portfolios, the Socialists seven, and the Communists three. The other ministers are technocrats and academics who were in the caretaker Government.

Mr Zolotas, who is 85 and will serve until fresh elections in April, said his Government's task would be to reduce inflation and the record public sector deficit, attract foreign capital and improve the education system, thrown into confusion by the former Socialist Government's efforts to modernise teaching and research.

The economic portfolios have been shared among three politicians who last week drew up a consensus programme.

A leading Socialist, Mr Giorgos Genimatas, was appointed Economy Minister, with a Communist, Mr Yannis Dragasakis, as his deputy. The Finance Ministry went to Mr Giorgos Soudilas of the Conservative New Democracy party.

The youngest cabinet member is the Foreign Minister, Mr Antonis Samaras, at 38 a fast-rising Conservative. His deputy, who will handle European Community affairs, is Mr Yannis Pottakidis.

## Inequality grows in 'socialist' France

By Ian Davidson in Paris

FRANCE has had a socialist President since 1981, and a socialist government for all but two of those years. During this period, one might reasonably have expected progress towards social and economic equality. In fact, the reverse has taken place, according to the latest income survey published by the government.

During the previous 25 years, there was a long-term trend towards narrower income differentials between different social groups. This narrowing of differentials was greatest during the period of rapid economic growth, and intensified after 1968; but the trend was not apparently broken by the economic crisis of oil-shock stagflation of the 1970s.

In the past decade, by contrast, the spread of incomes has started to open up again. The rich have got richer, the poor have got poorer, property-owners have done

better than wage-earners and - most striking of all - the old have done better than the young.

This pattern of a widening gamut of incomes may well be an unavoidable if unplanned consequence of the industrial restructuring and the financial liberalisation, which France has been obliged to undertake on the road between the oil crisis and the Single European Market.

If the trend were to continue, however, it could face the government with significant problems of credibility vis-à-vis its traditional electors. Already, the most persistent difficulty facing the government of Mr Michel Rocard has been the recurrent wave of industrial strikes and go-slows by discontented workers, mainly in the public sector, demanding more money.

Evidence of widening inequalities is politically easier

to accept when France seems set to enjoy fairly rapid growth over a fairly long period; this is no doubt a large part of the explanation for the Prime Minister's popularity in the country at large. The problem is that there is an underlying tension between a socialist President and a socialist party backing a social democrat Prime Minister whose policy is almost conservative.

Moreover, as the new report points out, it is the young who have paid a significant part of the price for the recovery from the crisis of the 1970s. For the first time since the war, a new generation has joined the workforce on less favourable terms than its predecessor, in terms both of jobs and of incomes.

In general, wage restraint has been the key-note of the 1980s: between 1982 and 1988 average wages lost 3 per cent of purchasing power. But white-collar workers were less

affected by wage restraint than blue, and the higher up the management ladder, the greater the widening of the gamut of incomes.

During the 1980s, France has increasingly become a property-owning democracy. In 1979, 20 per cent of households admitted having unearned income, and by 1984, the proportion had risen to 28 per cent; the proportion is undoubtedly higher today, as a result of the privatisations carried out by the Gaullist government in 1986-87.

At the same time, it is the rich who have done best out of the property boom: in 1984, the top slice of taxpayers received 44 per cent of their income from property, and by 1987 the proportion had risen to over 46 per cent.

*Les Français et leurs Revenus. Centre d'Etude des Revenus. La Documentation Française, FF1140*

## Bundesbank in EMS call

By Andrew Fisher in Frankfurt

WEST GERMANY'S Bundesbank yesterday said the European Monetary System should be strengthened to improve it as a basis for further steps towards monetary integration, also making clear that it felt scope for future realignments should not be blocked for political reasons.

Since last year, inflationary tendencies and the risks for the cohesion of the EMS had increased, it said in its monthly report. Thus the "disinflation process" among EMS members and the efforts at economic convergence were not complete.

The exchange rate mechanism itself did not itself guarantee lasting price stability, the central bank said. This had to come from domestic efforts. Nominal exchange rates in the EMS could only be constant if the economic basis was solid enough.

## Plea on European unity

By Ian Davidson

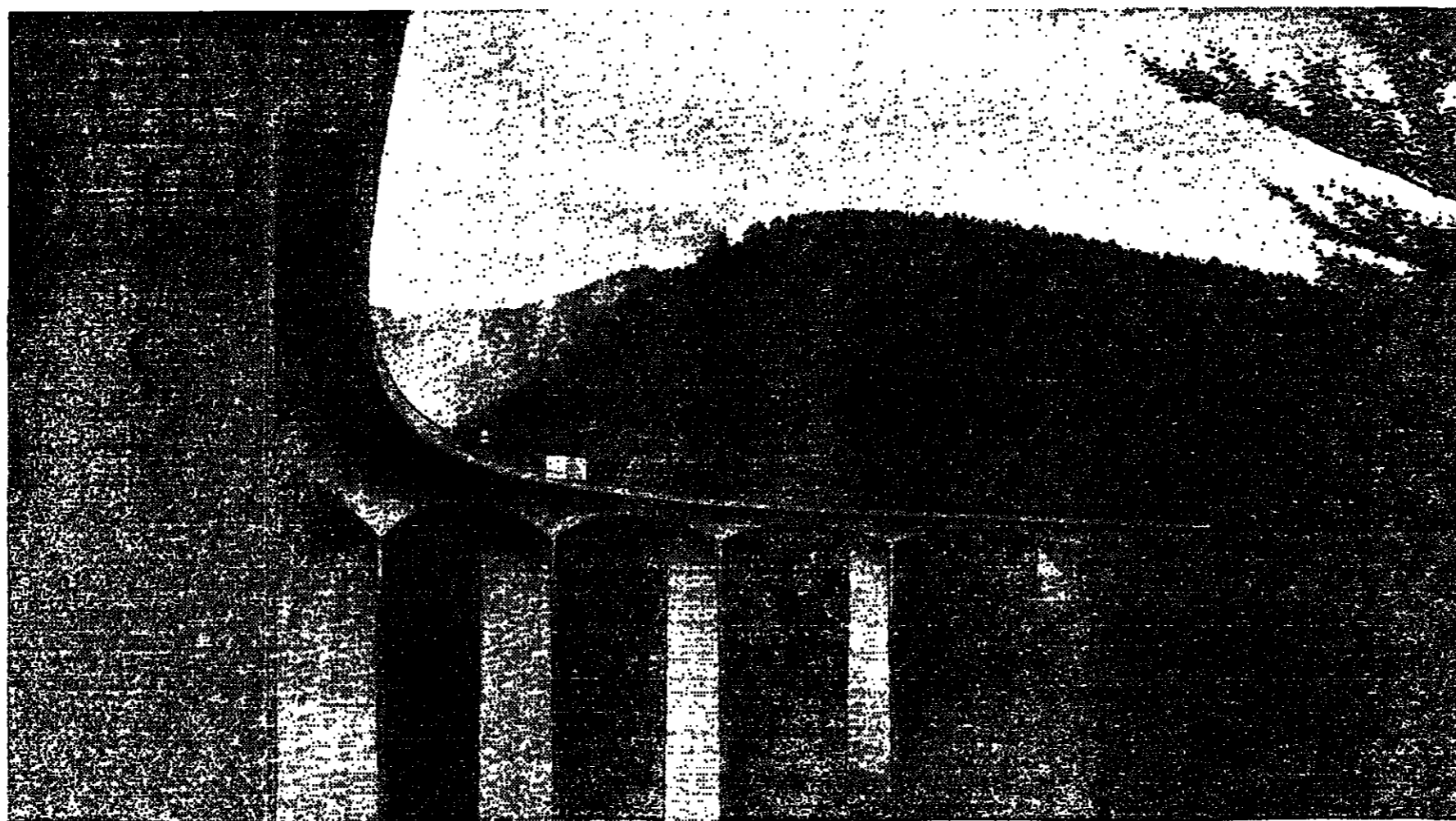
THE Action Committee for Europe, the prestigious pressure-group for European integration, yesterday urged a decisive step towards economic and monetary union, calling on the 12 member governments to set a date for an inter-governmental conference at the Strasbourg summit next month. The Committee includes 42 leading politicians from all EC countries. Its move was judged significant in that it secured the support of Mr Alfred Dregger, floor leader of the Christian

Democrat party in the German Bundestag. The outcome of the summit is likely to depend on whether Chancellor Helmut Kohl supports French demands for a firm decision on Economic and Monetary Union. The fact that Mr Dregger was won over to the integrationist point of view by fellow members of the Committee, is likely to be seen by the French government as an encouraging omen for their point of view at the Strasbourg summit.

FINANCIAL TIMES  
Published by the Financial Times (Europe) Ltd., Frankfurt Branch, (Gaußstrasse 24, 6000 Frankfurt-am-Main 1; Telephone 069-75790; Telex 310193) represented by E. Hugo, Frankfurt/Main, and members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London. Printer: Frankfurt Societäts-Druckerei-GmbH, Frankfurt/Main. Responsible editor: Sir Geoffrey Owen, Financial Times, Number One Southwark Bridge, London SE 1.  
The Financial Times Ltd. 1989  
FINANCIAL TIMES, USPS No 1906-20, published daily except Sundays and holidays. US subscription rates \$265.00 per annum. Second-class postage and at New York NY and at additional mailing offices. POSTMASTER, send address change to FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.  
Financial Times (Scandinavia) Ostergade 44, DK-1100 Copenhagen-K, Denmark. Telephone (01) 13 44 41. Fax (01) 933335.



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EUROPEAN NEWS

# E Germans will make unilateral cuts in forces

By Judy Dempsey in Vienna

EAST GERMAN arms negotiators announced here yesterday that their country would make more unilateral cuts over the coming year regardless of the outcome of the Conventional Forces in Europe (CFE) talks in Vienna.

At the same time, diplomats at the negotiations have agreed to hold a high-level meeting devoted specifically to discussing the military doctrines of both NATO and the Warsaw Pact. This will be held in Vienna from January 18 to February 5 and will be attended by both alliances' most senior military advisers.

"East and West now need a new security concept," said Mr Klaus-Dieter Ernst, head of the East German delegation. "Given the changing psychological and political climate in Europe... a new perspective on security for our continent is needed."

He added that over the next year, East Germany would demobilise more than 5,900 soldiers, on top of the 4,100 already disbanded over the past 12 months. Furthermore, 178 more tanks would be destroyed over the same period, in addition to the 432 already in the process of being dismantled.

Meanwhile, despite earlier attempts by NATO this month to agree on a draft treaty to be presented to the CFE, it appears that original draft documents have been toughened and certain compromises omitted. It is understood that the alliance, which had considered including light tanks in any future reductions, has dropped this, and will only focus on reducing Main Battle Tanks.

Warsaw Pact diplomats yesterday argued that if light tanks - which the Pact wants discussed at the CFE talks - were not included in the negotiations, then NATO countries could possibly circumvent any final treaty by increasing their tanks' technological sophistication.

# Rug pulled from Hungary's communist reformer

Party rivalry has undermined Imre Pozsgay's hopes of becoming president, reports Judy Dempsey

UNLIKE Poland, East Germany or Czechoslovakia, Hungary's communists will be the first ruling party in Eastern Europe to face the ballot box next year without being forced to do so by street demonstrations. But the country's carefully arranged transition to the multi-party system is being undermined by conflict between those very parties which will soon try to take over the reins of power.

The impact of the disputes between two parties, the Association of Free Democrats, the intellectual-based Budapest party, and the Hungarian Democratic Forum, a petty-bourgeois party whose power base is in the provinces, will be revealed this Sunday. For that is when the Hungarian electorate, already tired of politics and weary of trying to make ends meet, will take part in a referendum.

On one level, the referendum is straightforward. The question for each citizen to answer is this: should the President of the newly-declared Hungarian Republic be elected by the people before the free parliamentary elections are held, or elected by the new Parliament?

But on another level, the referendum is about the betrayal of Mr Imre Pozsgay, the ardent communist party reformer who has struck his neck out on behalf of some of the opposition and is now paying the price.

The down-payment began last September during the closing sessions of the Opposition Round Table talks which involved several of the independent political groups and the ruling Hungarian Socialist Workers'

(communist) Party (HSWP). Everybody was becoming impatient. They wanted a consensus to the talks, especially the HSWP which, without undue ideological qualms, transformed itself at its congress last month into the new Hungarian Socialist Party.

Mr Pozsgay, the party's spokesman at the talks, outlined what appeared to be a reasonable timetable for a peaceful transition from a one-party state to a multi-party parliamentary system. After talks with his then friend, Mr Jozsef Antall, head of the HDF, the largest of the independent political parties, the talks agreed on the following: to facilitate a smooth transition, the presidential elections would take place by nationwide vote around November 28, followed ninety days later by free parliamentary elections.

Nobody seemed to object, although the Free Democrats and FIDESZ, the youth movement, did not sign the round table talks agreement. Mr Antall, a shrewd politician, was happy. The prospect of the HDF possibly holding the majority in the next Parliament and being able to work with a President such as Mr Pozsgay, was an attractive idea.

Mr Pozsgay was pleased too, since he was to be the party's presidential candidate and could boost his election chances by relying on additional support from the HDF. More importantly, the party itself seemed content. For it knew, judging from disastrous defeats in recent by-elections, coupled with growing anti-communist sentiments throughout the country, that it was



Imre Pozsgay: betrayed

going to be wiped out at the parliamentary elections. At least, as in Poland, it could retain the presidency as part of the transition.

But the Free Democrats were going to have none of this. Both Mr Laszlo Rajk and Mr Miklos Haraszti, members of its executive, argued that if presidential elections were to take place before the parliamentary elec-

tions, then it would give an unfair advantage to the communists since they still control the media and could influence the next parliament. Furthermore they believe that a president elected and controlled by the new non-communist Parliament would be more democratic. In this case, the communists would be forced to lose everything.

In addition, the Free Democrats wanted to break the cosy relationship which had been struck between Mr Pozsgay and the Democratic Forum.

Tapping the public's rapidly diminishing fear, the Free Democrats collected over 200,000 signatures calling for, among other things, a referendum on how the new president should be elected. The HDF promptly accused them of putting personal and political ambitions above the interests of the nation.

But public support for the Free Democrats' initiative dented the HDF's normally sanguine temperament. Sensing it would be accused of identifying too closely with Mr Pozsgay's timetable for the transitional period and in supporting a communist candidate, they nominated Mr Lejos Fues, a lacklustre historian, to run for president. In their own pursuit of power, their first ignominious act was the betrayal of Mr Pozsgay.

Some Hungarian constitutional lawyers who closely followed the round table talks agree. They point out that it was the ambitious Mr Pozsgay who, at considerable personal risk, helped to legitimate the Democratic Forum. He has now been disowned by the HDF - despite the fact that many

Hungarians believe that Mr Pozsgay would make a good president.

The party was also affected by the upset to the timetable. Although the new HSP has formally endorsed Mr Pozsgay as president, the party-backed Patriotic People's Front, which Mr Pozsgay once led, has disowned him. Last month its members nominated as their candidate, Mr Kalman Kulcar, the Minister for Justice. "So much for loyalty even among ideologically-close friends," commented one lawyer.

But then, given the extraordinary changes which have taken place in Hungary, it is becoming increasingly clear that the political agenda is no longer dominated by the communists. Instead, it is being monopolised by the new emerging political parties in their pursuit of power whereby old loyalties fall quickly by the wayside.

So whether or not the people turn out on Sunday - 50 per cent are required to validate the referendum - the whole timetable has been thrown off course. Over the past few days, the populist-inspired Democratic Forum, as part of their continuing fight against the Free Democrats, have called for a boycott which could invalidate the whole referendum. But even if enough people ignore these pleas and decide that a nation-wide vote for a president is more democratic than a parliamentary vote, then all is not quite lost for Mr Pozsgay. However, with several candidates competing for the presidency, only former supporters of Hungary's maverick communist can save him from total eclipse.

# Czechoslovaks show off their true colours

No one is paying lip service to the system any more, reports Leslie Collett

THE DISMANTLING of the Communist Czechoslovak state by its citizens is proceeding as swiftly as its creation 41 years ago.

A bust of Lenin was this week removed from the hall of the philosophy faculty of Charles University in Prague and replaced by a bulletin board with notices of student strikes. Over it hung a photocopied portrait of Tomas Masaryk, the bourgeois "father" of modern Czechoslovakia.

When Czechoslovaks display their red, white and blue flag, the "trikolor", on their clothing or draped over the statue of St Wenceslas in the centre of Prague it means one thing: the return to "pre-war", humanistic Czechoslovak values. Fittingly, the model of striking students of journalism at the university is: "We want to write the truth."

"Communism is a good idea - equality - but it failed in practice," a middle-aged man from Tellice, in northern Bohemia, said over breakfast at my hotel.

At school he was never given an "honest" answer about Masaryk's historical role. But his father and grandfather had told him enough about the beloved Czechoslovak leader for him to know that the Communist authorities feared his memory.

The demonstrations which began at Charles University last Friday have become a popular upheaval of a very Czech kind. At first, student notices pasted up on the walls of Prague were read mainly by other young people. Most passers-by over 40 ignored them despite a sign on the base of the statue of St Wenceslas: "Parents, come with us, we are your children!"

Many workers still look suspiciously at the walls of the Prague Underground covered with closely-typed manuscripts and demands for a general strike on Monday.

The students were the conscience of a people who were cowed into submission after the 1968 invasion by Warsaw Pact forces. The citizens of all ages who gathered yesterday to read the manifestos, demands and strike notices covering much of central Prague are now a cross-section of the population.

Discipline in the Communist Party of Czechoslovakia is unravelling at a furious pace. The supporters of the beleaguered Communist Party are fewer than ever. The party organisation at the philosophy

faculty yesterday called on the leadership to stop "manipulating" the facts about last Friday's brutally-suppressed demonstration.

It urged a dialogue with the striking students and called on the Central Committee which will meet today in emergency session to take "definitive action" to restore the confidence of the people "and of the members of the Communist Party".

Most Czechoslovaks who have paid lip service to the "system" were now showing their true colours.

Ms Adriana Koriskova, a student of history and "scientific communism" said she hoped the former would become more objective and the latter would be rendered voluntary.

Young people, like their parents, were burning to learn the truth about Czechoslovakia since its independence in 1918. I asked what young Czechoslovaks thought about Alexander Dubcek, the reformist leader, deposed by the Soviet-led invasion.

"I was born in 1968," Ms Koriskova said. "I know he was a special kind of Communist who was able to co-operate with the people. This present leadership cannot do it."

It was difficult to say whether Mr Dubcek could make a political come-back as he appeared to be attempting, she said.

"He is very popular but I don't think he would be the best for us," she said.

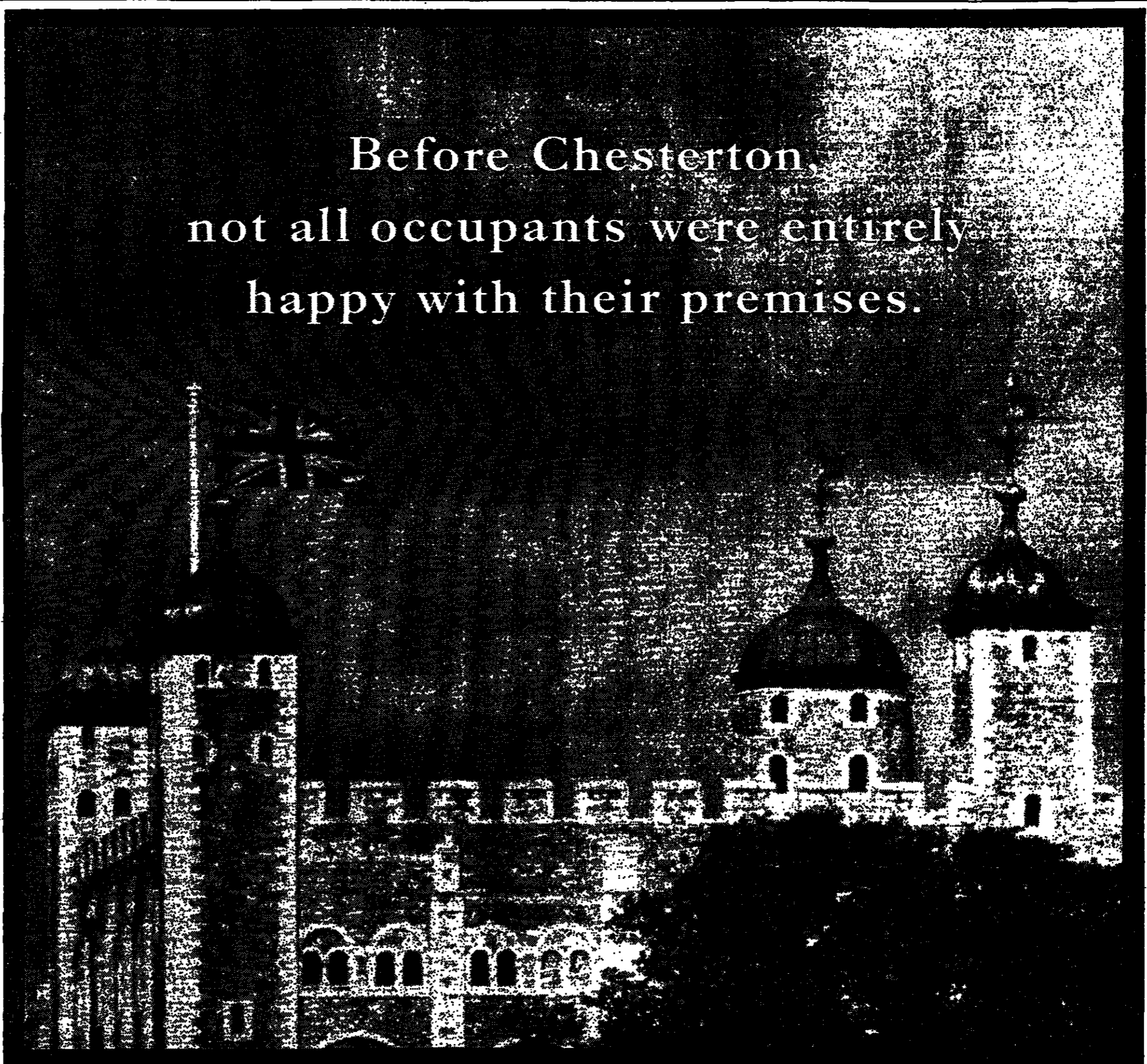
Similar scepticism was voiced by members of the student strike committee. One young man said: "We are against the monopoly of one party." Mr Dubcek, he noted, should try to win the support of the nation in free elections "like any politician".

The students indicated they would go ahead with the planned general strike next Monday even if their demand for the resignation of Mr Milos Jakes, the Communist leader, was fulfilled at today's central committee meeting.

Inside the actors' school - strike-bound like virtually all schools of higher education - a bevy of young women typed testimonies from young people who had been beaten up by the police on November 17.

A notice was given a list of 171 state enterprises and institutions which had expressed support for the students' strike. Among them were several factories belonging to the giant Skoda and CKD engineering companies.

Mrs Lalumiere said the Council was offering Hungary, Poland and the Soviet Union "our unquestioned experience in the field of democratic institutions", including human rights. It was ready to do the same for other East European countries which had not yet bitten the bullet of political reform.



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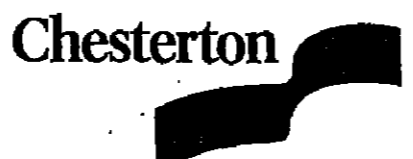
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# Council of Europe seat for Soviet Union forecast

By David Buchan in Brussels

THE SOVIET UNION would one day be able to join the 23 Western democracies in Council of Europe if it continued political reform, Mrs Catherine Lalumiere, secretary general of the Strasbourg-based organisation, has forecast.

Taking the now fashionable podium of the College of Europe at Bruges, Mrs Lalumiere vaulted the role of her organisation as the one in Europe "in a position to bring all the European democracies together".

In its new-found mission to bring East and West nearer, the Council of Europe's parlia-

mentary assembly had recently granted special guest status to delegations from Hungary, Poland, the Soviet Union and Yugoslavia, she said. Last week, Hungary applied for full membership of the Council.

OVERSEAS NEWS

Israel reacts to news of Beirut death with raid

By Eric Silver in Jerusalem

IN THE wake of Wednesday's assassination of President Rene Moawad of Lebanon, Israel yesterday reasserted its determination to police Southern Lebanon and prevent guerrilla raids across the Golan border. Israeli aircraft bombed two bases of Ahmed Jibril's hard-line Popular Front for the Liberation of Palestine - General Command near the village of Sultan Yaouq, four miles west of the Lebanese-Syrian border. A military spokesman in Tel Aviv announced that the targets, in Syrian-controlled territory 30 miles north of the Israeli border, served as "headquarters and an organisation base for attacks against Israel by the terrorist organisation of Ahmed Jibril". All Israeli aircraft were said to have returned safely. According to reports from Beirut, Israeli jets also flew over the Lebanese capital, drawing anti-aircraft fire. Yesterday's air strike was Israel's 14th into Lebanon this year. More than 30 people were killed and 120 wounded in the previous raids. The strike lent muscle to Wednesday night's statement by Lt-Gen Dan Shomron, the Chief of Staff, that the Moawad assassination underlined Lebanon's inability to establish a stable government capable of controlling the country. "It emphasises the need," he told foreign correspondents, "to defend our northern borders, and to take necessary actions to prevent the development of a terrorist infrastructure that could act against us from Lebanon." At the same time, Jerusalem was at pains not to take sides in Lebanese internal struggles, or in the widely predicted confrontation between Syria and Gen Michel Aoun, the Christian army commander, whom Syria blamed for the assassination. Gen Aoun has been waging a "war of liberation" against Damascus since the spring and tried to block President Moawad's election. Dr Yosef Olmert, director of the Israel Government Press Office, said yesterday: "We have no co-operation with Aoun and no interest in supporting his struggle. We do not want to give any Christian faction the idea that they can make their plans and count on Israel for help. As far as we are concerned, Aoun is just another Lebanese warlord." His statement contrasted sharply with Israel's sponsorship of Maronite militias in the late 1970s and early 1980s, culminating in the ill-fated invasion of 1982. Dr Olmert, who is an academic expert on Lebanese affairs, also signalled President Hafez Assad that Israel was not looking for a quarrel with Damascus so long as he played by the rules that both countries understand. "We have no problem with the Syrians managing to stabilise Lebanon," he said, "if it is done on a legitimate basis acceptable to the Lebanese, and provided we are not required to pay the price. We care only about our security interests in southern Lebanon." Dr Olmert argued that Mr Assad would have to act quickly if Syria was to maintain its claim to be the only power capable of restoring order to Lebanon. "Their problems in dealing with Gen Aoun require a military decision," he said. "What do you do against 50,000 Lebanese soldiers, well entrenched and well armed, backed by a civilian population? How do you deal with it? What is the price you are ready to pay? And what will happen the day after?"

Bavdra's widow agrees to lead Fiji opposition

FJI'S Adi Kuini Bavdra confirmed yesterday she would follow the example of Philippine President Corason Aquino and take over the leadership of her country's opposition to her dead husband, Barter reports from Suva. Timoci Bavdra, who died earlier this month from cancer, was deposed as Prime Minister in a coup staged by army commander Major General Sitiveni Rabuka shortly after taking power at the head of an Indian-dominated coalition in 1987. "The circumstances are basically the same," Adi Kuini said when asked if the comparison with Mrs Aquino were valid. "I have come into prominence because of circumstances which made it inevitable that I be offered the leadership." She added: "We want conciliation. The coalition is here to help, to be seen as partners with the interim government rather than just an opposition party." Mrs Aquino succeeded deposed Philippine president Ferdinand Marcos in February 1986, 24 years after her opposition leader husband Benigno was assassinated at Manila airport on his return from exile in the United States. Adi Kuini Bavdra had delays announcing her decision until she completed her term of mourning for her husband, who was buried on November 8. Bavdra's 38-year-old widow, who married him in 1983, said she had accepted the leadership of the Fiji Labour Party's coalition with the National Federation Party as a tribute to her dead husband. Adi Kuini is a Fijian chief and was her husband's third wife.

Taiwan's landmark election under way

By John Elliott in Hong Kong

CAMPAIGNING has started in Taiwan for the first politically significant general election in the country's 40-year history. On December 2 a total of 724 candidates will compete for 283 seats as legislators, mayors, magistrates and other local positions. The polls are the first since martial law was lifted two years ago. They are also the first since Taiwan-born President Lee Teng-hui succeeded the late Mr Chiang Kai-shek and accelerated a radical programme of political and economic reforms. There is no chance of any change in the Government, because the ruling Kuomintang (KMT) is bound to win. But there is a significant political contest between the KMT and the main opposition Democratic Progressive Party, which needs 30-35 per cent of the vote to maintain its own credibility. The main contests are between 304 candidates for 101 seats in the Legislative Yuan (parliament), although it will still be dominated by about 190 elders. The main contests were marked by an atmosphere of recrimination and distrust between Hong Kong lobbyists and the Chinese officials, who reflected the determination of Peking's hardline administration to block any political freedoms that might enable the colony to mount opposition to China's Communist regime. Talks on the law were proceeding amicably earlier in the year before the June crackdown on dissidents in China, and there were even hopes of concessions on democratic developments. That crisis set the two sides on a collision course. In Hong Kong the demand for a growing demand for faster democratic reform. But Peking has become much more opposed to political freedom, and it is also not prepared to agree to any demands that

China to take hard line on HK democracy timetable

John Elliott reports on a growing atmosphere of distrust in negotiations about the Basic Law

CHINA IS expected during the next few weeks to reject demands from the UK and Hong Kong for publication of a firm timetable guaranteeing the introduction of full universal franchise in the British colony soon after Peking regains sovereignty in 1997. Instead, Peking will probably insert a timetable in the final draft of the post-1997 Basic Law which will allow only a minority of the future legislature to be directly elected until well after the year 2000. Any further democratic reforms would then probably depend on the views of the existing legislature and on some form of circumscribed referendum in 2007 or later. This hard line has emerged during two days of consultations between Peking law drafters and representatives of the colony's Chinese community this week in the southern Chinese city of Guangzhou. Formal drafting sessions will take place in the middle of next month and in February, before the final version is approved by China's National People's Congress next spring. This week's talks were marked by an atmosphere of recrimination and distrust between Hong Kong lobbyists and the Chinese officials, who reflected the determination of Peking's hardline administration to block any political freedoms that might enable the colony to mount opposition to China's Communist regime. Talks on the law were proceeding amicably earlier in the year before the June crackdown on dissidents in China, and there were even hopes of concessions on democratic developments. That crisis set the two sides on a collision course. In Hong Kong the demand for a growing demand for faster democratic reform. But Peking has become much more opposed to political freedom, and it is also not prepared to agree to any demands that

Australia reports A\$2.2bn deficit as policies begin to bite

By Chris Sherwell in Sydney

AUSTRALIA reported its second worst monthly current account deficit in history during October, pushing the running total for the first four months of the financial year 46 per cent ahead of last year's record. Figures released yesterday showed a deficit of A\$2.24bn for October and a four-month total of A\$8.17bn. The worst-ever monthly figure, of A\$2.41bn, was recorded in August. Analysts pointed out that seasonally adjusted figures, which the Bureau of Statistics began producing in June, showed a lower figure for October of A\$1.83bn. This indicated the trend might be bottoming out in response to the Government's tight monetary and fiscal policies, they suggested. As the figures were broadly in line with expectations and foreshadowed no easing of government policy, foreign exchange markets absorbed yesterday's news without major upset. The Australian dollar finished at 60.5 on the trade weighted index, up from 60.2 on Wednesday. The Government is standing by its prediction that the intensifying impact of its policies will yield lower monthly deficits in the second half of the financial year. In its August budget, it forecast a current account deficit of A\$18.5bn for 1989-90, compared with an upwardly revised A\$18.2bn for 1988-89. Concern over the implications of Australia's chronic deficits continues to mount. Earlier this week, Macquarie Bank reported that, on its present course, the country's foreign debt would double to A\$200bn, or 44 per cent of gross domestic product, within five years. Macquarie says the Government should pursue a better-balanced policy of tighter fiscal and easier monetary controls. The bank also called for faster structural reform in the labour market and in industry and transport; greater investment in export and import-replacement industries; and higher domestic savings.

Court rules against pilots

By Chris Sherwell

THE Australian Federation of Airline Pilots faces a damages claim of up to A\$10m (\$7.8m) after the Victoria Supreme Court ruled against it in an action brought by the country's domestic airlines. Mr Justice Brooking yesterday said that the federation deliberately caused the airlines financial loss during a week in August when, in support of its 29.5 per cent pay claim, it ordered pilots to limit their flying from Sun to Sun. The actual amount of damages is still to be determined. But the result is a clear legal victory for the airlines - Ansett, its associate East-West Airlines, Australian Airlines and the freight group, Ipec. As a successful common law damages action against a union, the case is regarded as something of a landmark in Australian industrial relations, and some trade union figures see it as a setback inasmuch as it appears to curtail the right to strike. The pilots' federation said last night it was seeking legal advice on the ruling, which took the judge some six hours to deliver. But one senior official said the outcome would do nothing to resolve the ongoing dispute between the airlines and the pilots. Domestic flights in Australia have suffered disruption for some 14 weeks because of a pay dispute.

Chinese talks approve cuts in imports

By Our Foreign Staff

IMPORTS to China are to be reduced in an attempt to stave off an imminent foreign debt crisis, said Chinese sources. The decision, made at key economic policy talks this month, has not yet been announced. The information came from a 38-point policy document issued by the party's central committee on November 9 which sets out future austerity measures. "We must absolutely stop all imports of luxury goods and high quality consumer goods... and aggressively encourage import substitution," the document said. China would reduce imports of some unspecified raw materials and stop those of certain electrical products. The party said, in another major policy move, that spending would be frozen over the next two years except in areas related to defence, price subsidies and priority construction projects. Next year will be a peak repayment period for China's debt, which has reached \$44bn according to official figures published this month. "Our domestic debt has reached 80bn yuan (\$2.8bn) and our hard currency reserves are already very low, the money in circulation greatly exceeds the amount needed by the economy. This state of things cannot go on," the sources quoted the document as saying. "Foreign exchange reserves at the end of September stood at \$14.19bn down from \$18bn a year earlier. The trade deficit in the first 10 months came to \$6.6bn nearly double that in the same period last year."

With exports already high and domestic demand for goods strong, the debt will not be repaid by cutting imports, including raw materials, which "will seriously affect domestic production and modernisation," the document said. Official figures show that 80 per cent of China's imports are raw materials such as steel and iron ore and industrial machinery, leaving little fat to be cut. China's debt situation has deteriorated since June 4, when troops and tanks crushed student-led protests in Tiananmen Square in Peking. In response, the World Bank and Western governments suspended new loans. Most commercial banks followed suit, with those that continued to lend charging higher interest rates. The sources quoted the document as saying that China "must aggressively strive for long-term, low-interest loans from foreign governments and international organisations" - exactly the loans that have been suspended. Better management in borrowing, using and repaying foreign loans was called for. The West has said that if China improved its human rights record, lifted martial law in Peking and showed mercy to protesters, it would resume lending. But the party ruled out the smallest concession. The document described the 1984-88 period as one of extravagance and over-spending. Three years of austerity were needed to correct these mistakes, the party said.

India sets up army, says Sri Lanka

SRI LANKA has publicly accused the Indian peace-keeping force of recruiting and training an illegal army in the north-east of the island. Mr Ranjan Wijeratne, the Sri Lankan Foreign Minister and deputy Defence Minister, released today two letters he has sent to Mr Vartnaraja Perumal, the chief minister of the North-East Provincial Council. In these, the minister charges Mr Perumal with setting up a Tamil National Army in the guise of a civilian volunteer force. Such a civilian force was authorised by the central government to perform police duties after the scheduled Indian troop withdrawal on December 31. In view of the communal composition of the Eastern Province (Tamils, Moslems and Sinhalese) the civilian volunteer force was to reflect ethnic ratios. But Mr Perumal's TNA is nearly 100 per cent Tamil. Brigadier S.D. Hapugalle claims the Tamil force has changed the military picture in the Eastern Province. He says the TNA is using mortars, rocket-propelled grenades and Soviet-made automatic weapons. In simultaneous attacks on police stations, and army camps, more than 80 people have died, mostly Moslem police reservists. The Government has protested to Mr Rajiv Gandhi, the Indian Prime Minister, in the belief that this is a covert operation planned by India's external intelligence agency along with the army, in order to prolong the peacekeeping force's stay beyond December. But opposition leaders feel it is unlikely that Mr Gandhi would know of this operation, however preoccupied he may be with the elections.

South African Police admit death squad link

By Jim Jones in Johannesburg

THE SOUTH African Police (SAP) have admitted that policemen could have been members of hit squads, but said it was possible that the men carried out the killings without knowledge of their commanding officers. The admission by Maj Gen Herman Stadler, the force's chief public relations officer, was made on nationwide television and radio broadcasts yesterday as calls grew for independent judicial inquiries into allegations by former policemen of death squad activities. Maj Gen Stadler denied the SAP had any hit squads and added that police were not withholding information from the public. However, civil rights lawyers who conducted an independent investigation which corroborated allegations of death squad activities made by death-row prisoner Butana Nofomela, named one policeman, a Major de Kock; the lawyers say he headed the death squads and shot one man being held in custody. The man is said to have been interrogated by Major de Kock in 1985 but had been unable to give details of his brother, a suspected ANC member. The lawyers' report, prepared for the Independent Board of Investigation into Informal Repression, was yesterday handed to the McNally Commission, comprised of Orange Free State Attorney General Mr Tim McNally and CID chief, Lt Gen Alwyn Conradie. Reuters reports from Johannesburg: Gen Stadler said yesterday such allegations were being investigated by an internal police inquiry. Mr Nofomela's allegations, which triggered a major scandal, are supported by two other policemen, including Nofomela's former superior, Captain Dirk Coetzee. Nofomela is currently on Pretoria's death row awaiting execution for an unrelated murder.

4m face prospect of starvation as drought returns to Ethiopia

By Julian Ozanne in Nairobi

FOUR million people in northern Ethiopia, trapped behind the lines of raging civil war, are facing the prospect of renewed starvation after a drought laid waste much of the region's crops. Relief officials in Addis Ababa, the Ethiopian capital, are calling for a massive aid operation and as much as 500,000 metric tonnes of food to avert the kind of widespread famine which claimed up to a million lives in 1984 and 1985. In October, United Nations' officials appealed for 140,000 tonnes of emergency food for up to 1.2m people in the northern provinces of Eritrea and Tigray. That figure has now been dramatically revised following satellite information which shows more devastating crop failure than originally estimated. Aid officials are concerned that most of the people affected will be inaccessible from the main distribution centres and trucking operations in Ethiopia and will depend on air drops and cross-border operations from Sudan. If people are not reached swiftly and effectively in their home villages, there could be a mass exodus of starving peasants in search of food and resultant crowded, poorly equipped and disease-ridden refugee camps. If this happens, the harrowing images of Ethiopia in 1984-85, where thousands of people died of starvation and disease in camps like Korem, will become once again a reality. Of the 140,000 tonnes of food asked for by the UN in October, 108,000 tonnes has already been pledged by the World Food Programme and western donors, including Britain. But this now only represents a fraction of the 500,000 tonnes now required. Meanwhile, the second round of peace talks between the Ethiopian government and the Eritrean People's Liberation Front, which are being chaired by former US president Jimmy Carter at a private residence in Nairobi, are said to be making progress. The two sides agreed yesterday on two of the three procedural issues outstanding: the chairmanship and secretariat for future talks. Once the final procedural matter of observers is cleared up, both sides may start setting an agenda for substantive talks on ending the 29-year-old civil war. Ethiopia's Marxist government and separatist rebels from the northern province of Eritrea have chosen former Tanzanian president Julius Nyerere to co-chair the peace talks aimed at ending it.

IMF accord for Ivory Coast

IVORY COAST has successfully negotiated a \$22m International Monetary Fund loan to support reforms designed to revive an economy hard hit by falls in cocoa and coffee prices, Mark Hubbard writes from Abidjan. The World Bank is already supporting a long-term structural adjustment programme which includes privatisation of state-owned corporations, diversification of agriculture, and financial sector reforms.

Mozambique hopes

President Joaquim Chissano of Mozambique has said he will significantly reduce support for anti-government rebels in recent months, Reuter reports from Maputo.

'Rogernomics' Douglas to quit as MP

By Terry Hall in Wellington

MR Roger Douglas, the former Finance Minister credited with reform of New Zealand's economic policy between 1984 and 1988, said yesterday he would retire from parliament before next year's elections. Mr Douglas gave his name to "Rogernomics", a regime that tore down protectionist import policies, deregulated the economy, floated the dollar, began a programme to sell state assets and tackled high levels of debt and a high budget deficit. His opponents say Mr Douglas's strict monetarist policies led to high levels of unemployment, now running at 13.7 per cent, and a lack of growth. Mr Douglas was given a free rein to implement his policies by the former Prime Minister, Mr David Lange, between 1984 and 1987. However, Mr Lange disagreed with his plans to introduce a flat tax regime in a bid to gain economic growth early last year. This led to a protracted dispute between the two and provoked Mr Douglas' ministerial resignation last December. From the backbenches, Mr Douglas fought a bruising cam-

paign against Mr Lange and had himself re-elected cabinet against Mr Lange's wishes in August. Within days, a disenchanted Mr Lange announced his own resignation. Mr Geoffrey Palmer, the new Prime Minister, followed Mr Lange's dictum that Mr Douglas should not be given any role in economic policy, and appointed him minister of police. Mr Douglas was also appointed minister of immigration earlier this month. He announced plans for a greatly relaxed policy to attract 10,000 migrants a year to replace skilled New Zealanders who had emigrated in the past five years. Mr Douglas's decision to resign was influenced by his failure to be appointed Prime Minister in August in the caucus poll against Mr Palmer. He is apparently unimpressed by what he regards as the present Government's lukewarm approach to further economic reform. Mr Douglas, who is in his early 50s, has been an MP for 20 years.



Douglas: bruising campaign

Advertisement for Rolex watches. It features a large image of a Rolex Oyster Datejust watch with a diamond-set bezel and a white dial with Roman numerals. The text reads: 'The Rolex Oyster Datejust Chronometer is available in stainless steel, stainless steel and yellow metal or 18ct. gold. From the Rolex Collection at Watches of Switzerland. BUY YOUR ROLEX DIRECT FROM WATCHES OF SWITZERLAND. Rolex watches combine durability and high performance with classic style. The distinctive shape of the Oyster case is carved from a solid block of gold, platinum or stainless steel. The movement inside is a tribute to the watchmaker's craft. You can buy one of the world's finest watches now direct from Watches of Switzerland by using our INTEREST FREE credit scheme over 12 months, or credit terms at 18.7% over 24 months. Call in for a catalogue today. There will never be a better time to buy a Rolex. Watches of Switzerland Ltd. The World's Premier Watch Specialists. sales, service & repairs. Exclusive Rolex Showroom: 5 New Bond Street, London, W1, Tel. 01 493 2716. 16 New Bond St., W1; The Swiss Centre, Leicester Sq., W1; 279 Regent St., W1; #500 Oxford St., Marble Arch. 1 Old Bond St., W1; 69 Brompton Rd., Knightsbridge, SW1; 22 Royal Exchange, Threadneedle St., EC3; 62-63 Fenchurch St., EC3; # Brent Cross Shopping Centre, NW4. 127 Princes St., Edinburgh, 54 Argyll Arcade, Glasgow, 23 Cathedral Walk, St. David's Centre, Cardiff, 125 New St., Birmingham, 15 Market Hill, Cambridge, 2 Cornmarket St., Oxford, 54 Westover Rd., Bournemouth, 17 King St., Manchester, 122 Grey St., Newcastle-upon-Tyne, 44 Commercial St., Leeds. Credit arranged through a leading finance house and subject to status. Written quotations on request.

WORLD TRADE NEWS

Japanese contractors fear US sanctions

By Robert Thomson in Tokyo

JAPANESE construction companies had presumed that a US government report on the construction market in Japan would leave their building empire unshaken, but they fear that sanctions could be imposed after a review early next year of the opportunities open to US companies.

The Japan Federation of Construction Contractors characterises US suspicions about a construction closed shop as a "misunderstanding," and delivered a paper in Washington this week emphasising that the market was open to all comers.

US suspicions have been heightened by an untimely argument over bid-rigging for construction projects at a US military base near Tokyo. The US Government has reportedly just reached agreement for compensation of about \$4.7bn (\$21m) from 93 companies alleged to have rigged bids for 278 military orders valued at \$19.3bn.

In December last year, the Fair Trade Commission, Japan's anti-monopoly body, found that the companies negotiated among themselves prior to bidding at the base and fined 70 of them \$280m.

Officials and construction companies now say that bid-rigging is a thing of the past, and the government has agreed to a US demand that bidders for contracts make clear that they understand regulations against "dango" - collusion among companies over contract bids.

The US has a two-year construction market-opening agreement that ends next May, and Japanese companies expect that the US will be less sympathetic than ever.

Mr John Crosbie, Canadian Minister of International Trade, who is said to have thought hard whether to attend the meeting at all, said the proposal did allow supply management policy under article 11 of the Gatt.

Mr Duffy countered that as far as he was concerned the group's proposal implied the eventual scrapping of the provision of the Gatt that allowed special import restraints, i.e. Article 11. Brazil and Thailand intend to submit clarification notes in Geneva next week.

Thailand will argue that special protection would be permitted under the proposal for crops planted as replacement for opium and other narcotics, an idea the developed country members of the Cairns Group endorsed.

Brazil's note will be a clarification on the special and differential treatment the Cairns Group is seeking for developing countries, provided these countries are committed to reforming their agriculture.

Officials would not divulge the details of the Brazilian note, but Brazil is one of the more aggressive advocates of special rights for developing countries, although it remains committed to agricultural free trade.

The Cairns Group proposal calls for a freeze and gradual phasing out of supports over a period of 10 years or less, conversion of quotas to tariffs and other means of liberalising farm regimes gradually.

Cairns Group issues call on EC farm plan

By Peter Ungphakorn in Chiang Mai, Thailand

THE Cairns Group of 14 agricultural exporting nations yesterday urged the European Community to submit its proposal on agricultural trade reform before the end of the year.

The call was issued on the final day of the group's meeting in Chiang Mai and follows on the completion of the Group's own detailed 24-page proposal on Wednesday.

Mr Michael Duffy, Australia's trade negotiations minister and chairman of the Group, warned that if the EC and Japan failed to submit their proposals this year the 97 members of the General Agreement on Tariffs and Trade (Gatt) would have too little time next year to negotiate the details of reform.

The end of the Uruguay round of multilateral trade talks is scheduled for December 1990.

In a press conference at the close of the Chiang Mai meeting, differences emerged between Canada and other Cairns Group members on whether the Group's proposal would allow Canada to continue to support its dairy industry with import restrictions and production limitations.

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E Europe in need of export lifeline

William Dullforce on a plea for investment in Hungary and Poland

GREATER direct investment by western companies is needed in Hungary and Poland if they are to develop effective export capacities and achieve real economic growth, according to the United Nations Economic Commission for Europe.

An analysis of the official assistance for Hungary and Poland being marshalled by the European Community, the US and other western nations leads the ECE to this conclusion in its latest bulletin.

The proposed aid certainly addressed critical needs, but the bulk was debt-creating, the ECE said. Poland's debt was already excessive and the rescheduling of its repayments and interest obligations would increase debt without creating any new export capacity.

Hungary's debt burden was high, the share of interest payments in its exports of goods and services was rising and it faced a heavy repayment schedule in the first half of the 1990s.

Given that both countries will continue to experience internal resource and balance of payments constraints, more non-debt-creating direct investment was called for.

Both countries are actively promoting joint ventures. By mid-October the ECE had recorded about 600 joint ventures in Hungary and 400 in Poland, with a combined capitalisation of over \$1bn.

To accelerate the process, problems of currency convertibility, supply linkages, lack of supporting services - especially in telecommunications - and commercial information all needed to be addressed.

The ECE's plea comes against the background of the weakening in the economic performance of the Soviet Union and eastern Europe in the first half of 1989, recorded in the bulletin.

Output growth fell and trade virtually stagnated. A reversal of the slowdown in the second half is unlikely and the outlook for 1990 remains uncertain, at least because of the fast pace of political change in the region, the ECE said.

Attempts in the Soviet Union, Hungary and, especially, Poland to fight inflation with an array of monetary measures were likely to result in a further slowdown in output growth in the near future.

In the six east European countries gross industrial output increased by just over 2 per cent in the first nine months compared with 4 per cent in 1988. Plans had called for some improvement on 1988 performances.

In the Soviet Union, the growth in the net material product (aggregate net value

TRADE BY DIRECTION (\$bn)

Country or group	Exports		Imports	
	Value	growth	Value	growth
World	111.0	7.1	-0.5	102.9
Socialist countries	73.0	5.1	3.4	68.0
Eastern Europe	25.0	6.2	-1.5	24.9
Developed market economies	29.6	1.1	2.4	27.7
Developing countries	8.4	6.6	-14.0	7.2
Soviet Union	110.5	2.7	-3.7	107.1
Socialist countries	70.6	-3.0	-3.1	71.4
Eastern Europe	54.0	-4.6	-4.2	58.0
Developed market economies	24.1	7.8	9.4	28.9
Developing countries	15.7	2.2	-5.2	8.8

1989 figures are January-June 1989 to January-June 1988. Eastern Europe is the CMEA (Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland and Romania). Source: Secretariat of the United Nations Economic Commission for Europe.

added in the material sphere, the standard measure of output) slowed from 4.5 per cent in 1988 to less than 2.5 per cent in the first three quarters of this year.

Supply constraints and transport bottlenecks, which are expected to worsen with the approach of winter, have been partially responsible for the decline in the region's performance.

Strikes in the Soviet Union have led to raw material and energy shortages, which have been exacerbated by the deficiencies of the Soviet transport system. These shortages have spilled over into the East European economies in the form of reduced export deliveries.

Despite data problems arising from disparities between western and eastern statistics, the ECE charts an overall fall in the volume of East bloc exports in the first half. This was due mainly to a decline in intra-bloc trade and lower exports to developing countries.

Move to set up venture capital growth fund

By Peter Montagnon, World Trade Editor

OPIC, the US government agency guaranteeing private-sector investment in developing countries, plans to set up an East European growth fund of up to \$100m to help promote venture capital inflows to Poland and Hungary.

Mr Fred Zeder, president, said in London that the fund, to be managed by an independent banking organisation, would be run on the lines of OPIC's existing \$30m Africa fund. It will provide some \$60m in guarantees, and aims to obtain a matching amount from private-sector US companies with East European trading interests.

Poland and Hungary are the only two Comecon countries where OPIC is currently allowed to operate. By statute it must obtain Congressional authorisation to do business in Communist countries, and this was only received for Poland and Hungary in April.

Mr Zeder said OPIC's budget for the current fiscal year allowed it to issue some \$240m in investment guarantees around the world, of which \$40m would go to Poland and Hungary in April.

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'Low success rate' for Soviet joint ventures

By Karen Fosell in Oslo

CHANGES in the Soviet Union since perestroika was introduced in 1985 have forced open the floodgates to allow an increasing number of Western-Soviet joint ventures to be registered with authorities, though few of them have succeeded, according to Mr Dmitri K. Protzenko, director of the Soviet Finance Ministry office.

Mr Protzenko is now vice-president, financial director, of Sona Ventures, a Soviet-Canadian hybrid which advises foreigners on establishing joint ventures in the Soviet Union.

More than 1,000 joint ventures had been registered with the ministry, with many more pending, since a decree on the reform of foreign economic relations was adopted three years ago.

Though this may seem impressive, he said, by mid-1989 only 40 joint ventures remained fully operational and only three of them among the 250 registered involved Western investment in excess of \$20m.

The level of investment for joint ventures was comparatively small and tended to be restricted to service sectors because of Western investor caution and the problems of repatriation of profits, guarantees and non-convertibility of the commercial rouble.

Mr Protzenko spoke yesterday in Oslo to Norwegian committee delegates of the International Chamber of Commerce. At end-June there were 646 registered joint ventures. The leading countries included West Germany with 108, Finland 77, US 65, Britain 42, Austria 47, Italy and Switzerland 30, France and Sweden 28. Japan had only formed 18.

More recently, a rash of announcements on Norwegian-Soviet joint ventures from minerals exploitation to petroleum exploitation has broken out. Norsk Hydro, Norway's largest publicly quoted company, seems to be involved in most of them.

According to Mr Protzenko, in the first 200 joint ventures registered, the average size of foreign investment was \$16.5m (\$23m). "Initial capitalisation of some joint ventures is low by design, for most of the capital will be raised through borrowing."

He warned, however, there was a growing need to assess commercial risks, gauge the legal and financial standing of contractual partners and clearly define the conditions for taking guarantees. It is in these areas most Western-Soviet joint ventures fail.

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THE VOICE OF SOUTH AFRICAN BUSINESS

The banking sector flourishing in a financially constrained South Africa

Professor Owen Horwood DMS, chairman of Nedcor Limited, talks to John Spira, Financial Editor of the Johannesburg Sunday Star.

Spira: Professor Horwood, your association with Nedcor Limited spans some 16 or 17 years. In 1962, while head of the Department of Finance at the University of Natal, you chaired Nedcor's newly established Natal Advisory Board, and became a member of the Bank's main board. Following your distinguished period of high public office, which culminated in a nearly 10-year term as Minister of Finance, you returned to the University of Natal in October 1978, to assume the Chairmanship of the Nedcor Group. (Now Nedcor Limited).

At the end of this year, on reaching the statutory retirement age, you will relinquish the top post in the Nedcor group. In short, essentially, is Nedcor a bank holding company? The Nedcor group is a combination of sharply market-focused operating companies offering specialised services across the spectrum of the banking, building society, trust, and related financial services industries. Each constituent entity has an established and well-defined role to play in the overall financial services industry. The Nedcor group is a well-planned and experienced management team. This team recognises their mutual interdependence and the benefits flowing from overall planning, guidance, sharing of scarce resources, and coordination of effort.

Horwood: Yes, in South Africa, as elsewhere, conventional thinking has been challenged by long periods of inflation, by advances in the competitive market place, by changes in the payments mechanism, and by the increasing sophistication of financial decision-making which is made possible by the new information technology.

The very structure of banking and financial services is currently under review in South Africa. The broad aim is to bring all financial institutions operating in the same sort of market under the same rules. The consolidation involved has already seen the amalgamation of a number of building societies with banks. A good example of this is the merger of Nedbank and the Perm. The Technical Commission on Banking Legislation is also reviewing a very important issue: that of who may own or control a banking institution and to what extent they may do so. The "playing field", as someone put it, "is being levelled". As the topography of the financial services industry changes, so too do notions about the nature of its leading players.

I am pleased to say that Nedcor is unusually well positioned and prepared to ride the turbulence of this fast-changing environment.

Spira: From your virtually unique vantage point how do you see the South African economy at this time?

Horwood: In answering that question one must of course bear in mind that the country is at the receiving end of a sustained political and economic onslaught from abroad, with the enforcement against us of such punitive measures as trade and investment sanctions, disinvestment of capital, and cultural and sports isolation. Financial sanctions, in the form of an enforced commitment to redeem our foreign debt, is of overarching importance.

But we must also have due regard for the political developments that have occurred in recent months in the steps of a general election, the stepping down from office by State President FW de Klerk, and his accession by Mr FW de Klerk. The latter's assumption of the Presidency bids fair to usher in a whole new political dispensation. Certainly a more relaxed style of government is already discernible. The outcome of the election is seen by government as a mandate for further constitutional reform and the new President has made it clear that major steps will be taken over the next five years to include all the country's population groups in the electoral process.

However, we must be realistic and accept that the restructuring process will take some considerable time and is unlikely to occur with sufficient rapidity to eliminate the sanctions campaign, particularly in the United States, in the short-term. This is something we shall simply have to live with. Nevertheless, the situation is cause for sober optimism, especially in the light of the steady improvement in regional political developments flowing from the cessation of the Angolan civil war and Namibia's advance towards independence.

Returning to the immediate present, the growth rate last year was a little over 3 per cent and this year will be somewhat lower at between 2 and 2.5 per cent. This year has been a particularly good one for agriculture and we have also seen a remarkable, steady expansion of non-gold exports and the continuation of its upwardly biased capital formation that augurs well for the future.

The country is actually entering a lengthy period of substantial capital development embracing, among others, the Mosses Bay gasfield and other synfuel developments, and the Lesotho Highlands water and power development (in association with the World Bank), all of which are very large projects.

But, of course, the challenges are there. The increase of new job opportunities is trailing the population growth, for which those imposing sanctions against South Africa should certainly accept a part of the responsibility. Government expenditure levels are too high and need to be curbed in order to reduce the taxation burden on the country and assist in alleviating inflation pressures.

The inflation rate is unacceptably high, although there was distinct improvement during the course of 1988. It will average about 15 per cent this year but should begin to level off and decline during the course of 1990 because of the stringent monetary measures that have been taken.

There has been a decline in foreign exchange reserves of late, notwithstanding most satisfactory levels of balance of payments surpluses on current account. Deflationary fiscal and monetary measures and unacceptably large increases in import surcharges have all been imposed in order to dampen import demand and

enhance the country's ability to redeem foreign debt as well as staunch the loss of foreign reserves.

No assessment of the South African economy can be complete without a reference to gold. It is a compelling thought that a no more than 10 per cent average rise in the gold price, which I foresee as a possibility in the year ahead, would not only strengthen the foreign exchange reserves and boost economic growth; it would also transform the balance of payments in the course of a single year. After all, South Africa is still by far the world's biggest gold producer.

All in all, given the private sector's willingness and ability to seize its existing opportunities, I do not doubt that the prospects for South Africa are reasonable in the most circumstances and outstanding in the best.

Spira: Considerable publicity has been given of late to South Africa's foreign debt. What is the size of it and what are the implications of its redemption for the country?

Horwood: You know, it is an appalling anomaly that South Africa, grossly under-borrowed as it is, and with an impeccable record of meeting its debt servicing and repayment obligations, and recognised by lenders abroad as very likely the only sound investment in the Third World, finds itself in a position of having to redeem its foreign debt. South Africa is a developing country with enormous potential and, I might say, the vital force for the development of the entire Southern African region, and should not be obliged to be a capital exporting country.

Specifically, South Africa's debt outstanding at the end of 1988 was some US\$21 billion, which by comparison with the massive amounts owing by many less developed countries is nothing if not modest. Indeed, the ratio of our external debt to gross domestic product is one of the lowest among developing countries. Part of the debt - so-called "inside the net" - has been the subject of repayment schedules agreed with creditor banks. The third agreement, which will run from mid-1990 to the end of 1993, has been satisfactorily concluded. The amount to be repaid in that period will be of the order of US\$5.5 billion, similar to that involved in the second agreement which ran from mid-1987 to mid-1990, and is not too onerous.

The immediate problem, however, arises from debt "outside the net" - that is, debt which has nothing to do with the "standstill" declared at the end of August, 1985 - which is largely parastatal and government debt. In that it is heavily bonded in the three years 1989 to 1991, with a peak in 1990, it would be quite impractical for South Africa to meet all of this debt and it is essential that there be appropriate roll-over and refinancing of much of it.

Nevertheless, it poses a problem for South Africa and, unfortunately, all monetary and fiscal policy has to be subordinated to steering South Africa through this difficult period. It means the rescaling of stringent policy measures, all with one aim in mind and that, simply, is the generation of large balance of payments surpluses through suppressed imports and stimulated exports.

The rise in the Bank rate and the prime rate of the banks to the very high levels of 18 per cent and 21 per cent respectively - the fourth rise in a little more than a year - is indicative of the restrictive policy being adopted.

Given the terms of the third rescheduling agreement with creditor banks and the willingness of a number of foreign creditors to convert debt inside the net to longer term loans outside the net, I estimate that the aggregate amount of foreign debt to be redeemed over the next four years will be of the order of \$6-\$7 billion.

I have no doubt that South Africa will meet its obligations, as it always has done, and, moreover, will still achieve a positive real growth performance and successfully pursue its development programme. This, if nothing else, is testimony to the country's tremendous basic strength.



Professor Owen Horwood

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AT SHERATON LITTLE THINGS MEAN A LOT

AMERICAN NEWS

4% growth rate in Mexican economy

By Richard Johns in Mexico City

MEXICO's economy grew at a rate of 4 per cent in the third quarter of this year compared with the same period of last year and increased by 2.9 per cent over the first nine months, according to figures released by the Ministry of Planning and Budget.

It said that the growth was consistent with "the consolidation of the programme of price stability".

Nevertheless concern is growing about the build up of inflationary pressures as the end of the year approaches and economic expansion which looks as though it will be twice the 1.5 per cent target in the Government's 1989 budget macroeconomic projections.

Worry about inflation has been reflected by the rise in rates for 28-day CETES, or Treasury bills. At this week's auction they were up again by nearly one percentage point to 39.45 per cent despite the fact that the Bank of Mexico took up 5,300bn pesos worth of the 7,100bn offer.

This compared with the average of 35.7 per cent in September and 39.2 per cent in October. One of the proudest boasts of the administration and President Carlos Salinas de Gortari in particular has been that the accord in July on reduction and rescheduling of Mexico's commercial bank debt (now calculated at about \$48 bn) led to 30 per cent fall in interest rates. At the end of June 28 day CETES had peaked at 57.47 per cent. The margin is now clearly being eroded.

An annual rate of inflation in excess of the 18 per cent limit to which the government planned to contain it now looks certain with an increase of over 20 per cent in prospect.

At the same time recently issued preliminary figures have indicated a trade deficit of \$107m for August giving accumulative one of \$274m for the first eight months of 1989 compared with a surplus in merchandise transactions of \$1.75m. A total deficit of around \$800m is anticipated now for the year as a whole.

As for sectoral growth electricity, gas and water were up 10 per cent indicating the vigour of the informal economy while transportation, storage and communications grew by 8.5 per cent.

Manufacturing industry showed a 7.3 per cent increase with food, beverages and tobacco significantly above the average at 9.6 per cent.

Agreement with EC for joint ventures

An agreement signed by Mexico and the European Community Commission makes financing and technical assistance available for joint ventures undertaken by Mexican and European businessmen, Benter reports from Mexico City.

The agreement was signed by Abel Matutes, EC Commissioner for Latin America, and officials from Nacional Financiera and Banco Nacional de Mexico under the EC International Investment Partners program. The program, which aims to promote joint investment and information exchange, represents a "more appropriate" way of channeling resources to countries that can benefit from them, an EC statement said.

Ceasefire offer

El Salvador's right-wing government yesterday condemned a guerrilla cease-fire offer as "propagandistic manipulation" 12 days after the rebels launched their largest offensive of the 10-year civil war, AP reports from San Salvador.

"The government can't take it seriously," said Mauricio Sandoval, the government's secretary of information.

He noted that the rebel communique was not addressed to the government but rather to the people of El Salvador and the international community. He said the government would give no formal reply.

Haiti opposition calls general strike

A strike called by opposition groups in Haiti, the second in three weeks, has brought commercial life to a halt in Port-au-Prince, the capital, Canute James reports from Kingston.

Canadian retail sales, seasonally adjusted, rose 1.7 per cent to \$14.7bn in September after rising 0.2 pct in August, Statistics Canada said yesterday. It was the largest monthly increase since the 1.9 pct rise in April 1988.

Excluding new and used motor vehicle dealers, retail trade rose 0.4 pct in September following a 0.2 per cent August decline.

Banks snub plan to repurchase Chilean debt

By Barbara Durr in Santiago and Stephen Fidler

CHILE has met a poor response from banks to a proposed buy-back of about \$500m of its bank debt.

The Government managed to repurchase in auction \$139.8m worth of loans, paying \$81.4m or an average weighted price of 53.25 cents for every dollar. The cut-off price for the auction was 59 cents. Banks tendering at a higher price are being reinvested to tender at the 59 cent level, but bankers say they expect the response to be modest.

The buy-back is taking place under the debt reduction plan launched in March by US Treasury Secretary Mr Nicholas Brady, according to Chilean authorities. The funds used for the purchase will come out of the Chilean Central Bank's copper stabilisation fund, but be replaced by others from the International Monetary Fund and the World Bank.

The size of the operation was considerably smaller than originally contemplated. Ironically, the poor response partly reflects the banks' view that Chile's economy is on the right track and that the loans will continue to be serviced, particularly given the large amount

of debt reduction that has already taken place.

The development shows up a potential anomaly in the Brady initiative: a successful debt reduction programme, such as Chile's, results in banks not wishing to sell their debt. By contrast, in more complicated debt reduction deals for Mexico and the Philippines - both of which require some banks to make new loans - the indications are that banks have been keener to participate in debt reduction and are not inclined to make new loans.

Chile's remaining bank debt is now thought to be concentrated in the hands of relatively few banks, most of which preferred not to tender. Japanese banks, eager participants in an earlier auction, were not important players in the latest. Chile's total bank debt has fallen to \$9.9bn at mid-year from \$14bn at the end of 1986, according to figures from the Bank for International Settlements.

Chilean debt had been trading on the secondary market recently for as much as 62-63 cents to the dollar, although it was quoted this week at 60 cents.

President reaffirms pledges to W Europe

By Peter Riddell

PRESIDENT George Bush has reaffirmed the US commitment to Western Europe and Nato on the eve of his talks today with Mrs Margaret Thatcher, Britain's Prime Minister.

In a TV address, Mr Bush sought to deal with European worries about future US intentions. Looking ahead to his meeting in just over a week with President Mikhail Gorbachev, Mr Bush said: "There will be no surprises sprung on our allies". The two were not meeting "to determine the future of Europe".

He stressed that while there might be cuts in US troops in Europe, "the US will continue to stand with our allies and our friends. In a new Europe, the American role may change in form, but not in fundamental. Even if forces are significantly reduced on both sides - a noble goal indeed - we will remain in Europe as long as our friends want and need us".

This message was aimed in part at European leaders worried by talk of substantial cuts in numbers in Europe. Mr Bush said he would seek President Gorbachev's pledge that reform in Eastern Europe would continue.

Congress adjourns with little to show

By Our US Editor

THE CONGRESSIONAL session which has adjourned until mid-January amid much mutual congratulation has been marked by considerable partisan bitterness and limited achievements.

The inherent conflicts of a Republican presidency and a Democrat-controlled Congress have been exacerbated by arguments about personal ethics and policy priorities.

President George Bush has generally lacked the authority his predecessor enjoyed in his first year in office to win the support of conservative Democrats and push through his agenda. Mr Bush has inspired little awe among legislators.

The one legislative exception - the approval by the House of a capital gains tax cut - backfired in the Senate.

Otherwise, it has been a matter of compromise and stalemate. With Mr Bush generally conciliatory by temperament - a manager rather than a leader - the result has been a sharing of power and of the policy agenda.

Little was achieved in the first half of the year as Senator George Mitchell, the new Majority leader, took time to assert himself in the House. The Democrats suffered bruising battles leading to the resignation in June of Speaker Jim Wright and Majority Whip Tony Coelho because of their business links.

But gradually during the

LEGISLATION PASSED IN THE FIRST SESSION

- Budget deficit cut by \$14.7bn as a result of higher revenue, across-the-board spending cuts and accounting gimmicks.
- Minimum wage increased after long battle, with new sub-minimum training wage.
- Major rescue and overhaul of savings and loan industry approved, at initial cost of \$50bn.
- Repeal of catastrophic health insurance for the elderly because of protests over paying a surtax.
- Backing \$8.9bn for intensified war on drugs.
- Agreeing \$935m over three years in aid for Poland and Hungary.
- Voting \$50m in non-military aid for Contras following deal with White House.
- Banned smoking on nearly all domestic US flights.
- Passed a law banning burning and desecration of the US flag, though blocked President Bush's call for a constitutional amendment.
- Congressional pay raised: 35 per cent for the House by 1991 and 9.7 per cent next year for Senate, coupled with ethics package limiting outside earnings.

summer, and particularly in the past few weeks, Senator Mitchell has emerged as an increasingly effective legislative and party leader. Together with Senator Lloyd Bentsen, chairman of the Finance Committee, he helped block the cut in capital gains tax in a long battle with the White House which delayed the deficit reduction bill. In the House, new Speaker Tom Foley has helped lower tensions.

The overall result has been patchy. This week's deficit reduction bill contains some genuine cuts, but still defers tough choices on tax increases.

Neither President nor Congress has been prepared to offer leadership. Apart from

minor revenue adjustments, members of Congress are still reluctant to consider higher taxes. This was underlined when they voted to repeal a long-debated plan to help old people finance the costs of treatment for serious illness after a minority of the well-off elderly protested at having to pay a surtax or premium to finance the programme.

In the balance sheet, Mr Bush's main victory was pushing through the rescue of the savings and loans industry. A Pyrrhic victory (at least electorally) was the successful vetoing of several bills liberalising state funding of abortions. His losses were over the capital gains tax, flag burning,

a cut in spending for Star Wars (the Strategic Defence Initiative), and over several nominations, notably that of Mr John Tower as Defence Secretary.

The deficit reduction bill, the limited increase in the minimum wage and restrictions on aid for the Nicaraguan Contras, can be regarded as compromises.

When Congress reconvenes in January, it will face renewed battles over the budget and capital gains - and some reduction in the latter will probably pass. Immediate priorities, according to Senator Mitchell, will be legislation on clean air, tightening controls on car and power plant emissions, and helping parents pay for child care, which has been held up so far by a dispute over financing.

Congress will also consider moves to reform election campaign finance laws to limit costs and special interest contributions. Both Houses have passed bills on oil spills, but differences remain on an industry-paid fund for clean-ups.

Neither the President nor the Democratic leadership are controlling the agenda. In some cases, such as savings and loans, Mr Bush can get what he wants; in others, such as clean air and aid to Eastern Europe, Congress goes further. These are likely to be years of modest legislative changes.

Peace retreats over Central American horizon

Tim Coone points to prospective military and diplomatic moves on the troubled isthmus

ONCE again, Central America is coiling itself into a familiar spiral of unrelenting violence. Peace has become a shimmering mirage.

In the space of two weeks, a nationwide guerrilla offensive in El Salvador has shaken the right-wing government of President Alfredo Cristiani to its foundations. In Nicaragua, the breakdown of talks with the US-backed contra rebels this week heralds an all-out army offensive to deal them a crippling blow before the general election in February.

A neighbour to both countries, host to US military bases and facing growing social discontent at home, Honduras will go to the polls this week to elect a president for the next four years. Guatemala and Costa Rica watch anxiously from the sidelines. The prospects for tranquillity are further dimmed by the presence of General Manuel Noriega in Panama, irritating the US Administration.

Whether there will be war or peace in the region, much will hinge on what the left-wing FMLN guerrillas in El Salvador plan to do next. In more than a week of heavy fighting, having seized control of a third of the capital and almost overrunning several smaller cities, they have carried out a tactical withdrawal in the face of heavy aerial bombardments.

But where have they gone? The daring seizure of the Sheraton Hotel in the wealthy suburb of Escalon in the capital, San Salvador, on Tuesday, demonstrates that they continue to keep the army on the defensive. The heaviest blow may be yet to fall. If it does, it will most likely fall on the eastern city of San Miguel - the key to the control of the eastern third of El Salvador.

According to left-wing politicians in El Salvador, seizure of San Miguel and the east of the country, including the port of La Unión, has always been



Antagonists in an American backyard: George Bush (left) waves an open hand but Manuel Noriega flourishes a clenched fist



himself increasingly embroiled in a conflict within the government as the right wing tries to assert itself in the wake of the guerrilla offensive.

Two further factors complicate the Central American panorama and impinge on the present fighting in El Salvador.

The breakdown of talks over demobilisation plans for the contra in Nicaragua puts Honduras in an awkward position. At the Tela summit in August, Honduras signed a separate agreement with Nicaragua, in which the former agreed to the removal of the 12,000-strong contra army from its territory. In return, Nicaragua agreed to suspend litigation, at the International Court of Justice in The Hague, for damages suffered to its economy as a result of the contra war. A favourable ruling for Nicaragua could run into billions of dollars.

Honduras would have to recognise any ruling of the ICJ, if it wants to retain hopes of resolving a century-old border dispute with El Salvador, which is now being considered by the court. That dispute erupted into a war with El Salvador in 1969. Six pockets of disputed frontier territory have since become mountain sanctuaries and supply routes for the FMLN. Resolution of the dispute would deny the FMLN these routes and force them into a new territorial strategy.

The arrival of the war in the capital is an indication that an FMLN military review is taking place - seizure of San Miguel would confirm it. All sides to the Central American conflict are now being called on to return to the negotiating table so as to break the spiral of violence. However, those most willing to do so - offering the firmest negotiating proposals - are the Nicaraguan government and the FMLN. Events of recent weeks have shown that they also hold the military initiative in their respective countries.

Uruguay goes to polls on Sunday

By Gary Mead in Buenos Aires

URUGUAYAN voters go to the polls on Sunday to choose a new president and government in the first general election since November 1984. Mr Julio Maria Sanguinetti, who five years ago won the presidency for the centre-right Colorado Party, is due to hand over office on March 1 next year.

Wedged between its dominating neighbours of Brazil and Argentina, Uruguay's 3m inhabitants have a long history of democratic elections, interrupted for 11 years between 1973-84 by a military dictatorship. That dictatorship set itself the task of eradicating the Tupamaros, armed left-wing guerrillas who aimed at installing an orthodox Marxist government.

But on Sunday voters will once more have the chance to vote for the political rump of the Tupamaros, aligned with several other left-wing groups in the Frente Amplio (Broad Front) alliance.

According to a Gallup opinion poll conducted during the first week of November, the Frente could expect to capture 30 per cent of the vote in the capital Montevideo (home of more than half of the country's population), giving it a strong chance of capturing the capital's mayoralship. This would give it a strong leverage over government, even if the presidency goes to another party.

Of the four major parties with a genuine hope of victory, the current opposition, the centre-left Partido Nacional (Blancos), is tipped by the same poll to take 34 per cent of the vote in the interior of the country, giving it a lead of 12-13 per cent over its nearest rivals, the Colorado and Frente Amplio parties.

A newly-formed party, Nueva Esperanza, is trailing in fourth position with 10 per cent, while as many as 14 per cent of voters are as yet undecided.

If, as expected, the Blancos emerge early on Monday morning as the most successful party, the main task will be to win an internal party battle to elect Uruguay's next president is Mr Luis Alberto Lacalle, a 47-year-old lawyer who has spent most of his life in active politics.

Seeking ways to steady American medicine's shaking hands

Janet Bush examines efforts to reduce a threat of huge awards in malpractice lawsuits

THE US medical profession has not only scared many doctors out of the vocation but has also changed the way medicine is practised.

In obstetrics, for example, surgings insurance premiums have not only scared many doctors out of the vocation but have also changed the way medicine is practised.

In obstetrics, for example, the rate of Caesarean sections has risen from about 5 per cent to about 25 per cent - a rise attributed largely to the threat of lawsuits. Unnecessary and costly medical techniques are now routinely used for the same reason.

A measure of the crisis is that 70 per cent of obstetricians now practising have been sued.

Doctors, nurses and midwives have left the profession in droves because they could not find adequate insurance, could not afford what was available or because they could no longer take the pressure of being sued.

The American Medical Association says that, from 1982 through 1985, insurance premiums for all physicians jumped by 81 per cent, and by 113 per cent for obstetricians and gynaecologists.

Not all the news is negative. There have been tentative signs recently that spiralling insurance premiums paid by hospitals and doctors have begun to moderate.

Conning and Co, an insurance analyst based in Hartford, Connecticut, shows that losses incurred by medical malpractice insurers fell 7.7 per cent last year compared with 1987. This is a dramatic improvement from 1985 when losses exploded by 48.7 per cent from the previous year.

St Paul Companies, a leading underwriter, saw the frequency of claims against physicians and surgeons drop to 13 out of 100, from more than 17 out of 100 in 1985.

These encouraging figures can be traced to a number of factors. One important change has been a backlash against disproportionate jury awards. A public survey by the AMA in 1986 found that 50 per cent believed plaintiffs in malpractice suits were "looking for an easy way to make money". Juries have lately become more circumspect and less generous in malpractice suits.

Since the mid-1970s, the med-

ical profession has moved to limit potential claims. Many hospitals and doctors formed their own insurance companies, and, in some states, liability insurance carriers were obliged to participate in joint underwriting associations.

Risk management systems have been adopted by many hospital systems and doctors, which have contributed to safer medical practice and much more canny recording and monitoring in case of suit.

Over the past decade, 49 of the 50 states have enacted some kind of reform to the tort (injury for which a civil action

can be brought) system. Most common have been reforms limiting fees which plaintiffs' lawyers can charge and caps on the proportion of a damages award a lawyer can keep.

Despite this, much more needs to be done. Conning and Co believes that losses and premiums in medical malpractice insurance hit a cyclical low last year, and projects rising costs over the next three years.

Some believe insurance costs are only a minor component of a wide issue which is far from resolution, and that adjustments to the tort system are

not the long-term solution, but rather that medical malpractice must be taken out of the courts.

An immediate focus for Ms Victoria Rostow, project director of the Institute's obstetric study, is encouraging states to adopt a "no-fault compensation" system similar to that in place in Virginia. This limits liability for brain-damaged babies to those which can be proved to have suffered neurological injury in labour, during delivery and immediately post-delivery.

She advocates for the long term a new system of strengthened state medical boards or new state agencies with authority to screen claims and interview the parties. Any claim not settled would be passed to an examiner.

The hope is that such an examiner would be better able to evaluate claims and that awards would be resolved much more quickly and more cheaply than in the courts.

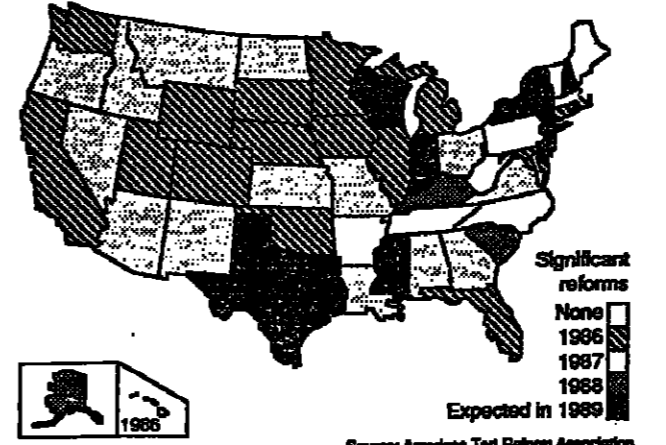
Under the current system, a family may be awarded \$3m but have to wait five years for the money.

Beyond this inefficiency and heartbreak, there is believed to be something deeper - a mistrust between doctor and patient which is destroying the heart and soul of the therapeutic relationship.

VERDICT AVERAGES AND RANGES			
YEAR	VERDICT AVERAGE	CHANGE (%)	VERDICT RANGE (\$)
1980	464,725		1,708 - 6.8m
1981	890,386	110.1%	3,500 - 10m
1982	982,253	13.2%	531 - 29m
1983	887,838	- 7.7%	1,000 - 25m
1984	640,619	-27.9%	5,000 - 12.7m
1985	1,179,056	84.1%	5,000 - 18.8m
1986	1,479,028	25.4%	340 - 13m
1987	524,416	-37.5%	300 - 8.1m
1988	732,445	-20.9%	
80-87*		12.5%	

\* Preliminary \*\* Compound growth Source: Jury Verdict Research

States enacting Tort Reform



Argentina's economy suffers double blow

By Gary Mead

HOPES that Argentina's stricken economy might be stabilising have been dented by a major depreciation of its currency and a substantial pay award to the country's most powerful trade union, the metalworkers (COM).

Black market currency rates hit 1,050 australes to the dollar on Tuesday. Although the rate has since partially recovered to 820 australes, it still leaves a gap of 40 per cent against the official exchange rate of 650 australes to the dollar.

The government is also bound to be worried by the inflationary effect of a 71 per cent pay award to the COM, backdated to September and running until March 1990. The COM, which although not the largest union, certainly has the greatest industrial base, and is usually taken as setting the pace for other awards.

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CONTRACT COAL MINING, LOUISIANA. How could we economically supply low-sulphur coal to a power plant 7 miles away? Our brainchild is a giant conveyor belt which cuts through swamps and haul roads.

PRECIOUS METALS, SOUTH CAROLINA AND NEVADA. With profits already flowing in, we're now calling on a mine of experience to exploit new mineral reserves.

OIL AND GAS, TEXAS. The trick here was to take a completely fresh approach to existing geological data to pinpoint the whereabouts of gas and 'black gold'.

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## UK NEWS

# Tory chiefs try to stop challenge to Thatcher

By Michael Cassell, Political Correspondent

SENIOR ministers and Conservative Party figures yesterday stepped up efforts to prevent a damaging challenge to Mrs Margaret Thatcher's supremacy as Tory MPs prepared the way for their first leadership ballot in 15 years.

Sir Geoffrey Howe, the Deputy Prime Minister, yesterday appeared to rule himself out of any challenge to the Prime Minister before the next general election and issued a statement urging any possible contenders not to trigger a divisive contest.

Last night, with Mrs Thatcher in Washington and preparing to meet President Bush today, the executive of the 1922 Committee of backbench Tory MPs opened nominations for leadership candidates.

Sir Anthony Meyer, the 69-year-old MP for North West Clwyd last night remained the only identified, possible contender, and he was under intense pressure not to stand.

Sir Anthony yesterday acknowledged that a contest would harm the party in the short-term but claimed that Mrs Thatcher's stance on Europe would prove "very damaging indeed".

Nominations will close next Thursday and voting will take place on December 5. If a second-round ballot is required, which only seems likely in the event of other, more senior challengers emerging, it will take place on December 12.

Loyalist MPs at a crowded 1922 committee meeting at the House of Commons took part in a ritual round of desk-banging when Mr Cranley Onslow, the chairman, said the executive was unanimous in its opposition to a contest which could only harm the interests of the party.

Although Mrs Thatcher's supporters remain confident of an easy victory over any contenders, Conservatives at Westminster now face an uncertain and anxious two weeks which threaten to further undermine their party's standing.

In his statement, Sir Geoffrey claimed that a contest could only damage the party at a time when it was crucial to maintain "continuity of policy and authority, as well as unity of purpose". He denied any leadership crisis and said the

## PROFILE

SIR ANTHONY MEYER, already dubbed "Sir Nobody" by Britain's popular daily newspapers - looks set for a brief spell of fame in an otherwise low-profile, diplomatic and political career, writes Mike Cassell.

Although he is coming under increasingly intense pressure not to upset the apparent, he was still suggesting yesterday that he would put forward his name, if no one else came forward, to stand against Mrs Thatcher for the party leadership.

A one-nation Tory "wet" who worked at the Foreign Office under Edward Heath in the 1960s, he has always been a harsh and unapologetic critic of Mrs Thatcher, attacking her within months of her first election victory for her "silly" attitude towards a European Community in which he passionately believes.

Now 69, the self-confessed "extreme moderate" with an aristocratic lineage and intellectual demeanour appears to have few political ambitions, other than to see Mrs Thatcher out. Sir Anthony's intention to challenge might well attract a number of malcontents or, as he really hopes, flush out a

number of more substantial candidates. But he has provoked a fierce backlash from some of his party colleagues. He has already been described as a "donkey" in an outbreak of the type of internal dissent which will appal the Tory rank-and-file. Yesterday, he was labelled by one MP as "a man of minute stature".

None of this is likely to phase a man who simply Prime Minister commanded the overwhelming support of the party at Westminster and in the country.

He said it was essential to sustain the "resolution and backbone" which had characterised the government under Mrs Thatcher and that it was



believes that Mrs Thatcher has become an electoral liability and that the party faces a choice to lose its leader or lose the next general election.

The son of Sir Frank Meyer, the 2nd baronet and chairman of De Beers, he was educated at Eton and Oxford and was first elected to parliament with a majority of 11 to represent Eton and Slough in 1964. A Lloyd's underwriter, he has been MP for North West Clwyd since 1983.

The height of his political career came with a period as parliamentary private secretary to Mr Maurice Macmillan, who was Chief Secretary to the Treasury and later Secretary of State for Employment in the government of Edward Heath.

One Tory MP quipped last night that, in his search for two sponsors, Sir Anthony might well find a willing supporter in the shape of the last Tory Prime Minister himself.

essential to build upon it under her continuing leadership.

In a statement issued at Westminster, Mr Michael Heseltine, the former Defence Secretary and a leading aspirant to the Tory party leadership, restated his commitment not to challenge Mrs Thatcher.

Mr Heseltine said his position remained unchanged and he added: "If Sir Anthony Meyer, or anyone else, decides to use the existing rules, that is for them and not for me. I shall take no part in the process".

# Both sides claim victory in Sunday shopping verdict

By Maggie Urry in London and Tim Dickson in Brussels

THE European Court in Luxembourg ruled yesterday on Sunday shop opening in the UK, with both advocates of and opponents to Sunday shop opening claiming the verdict as a victory for their side.

The Court's seven-page verdict concluded that the treaty (of Rome) "does not apply to national rules prohibiting retailers from opening their premises on Sunday where the restrictive effects on Community trade which may result therefrom do not exceed the effects intrinsic to rules of that kind".

In the judgment the Court said that the regulations which governed the opening of shop hours "reflected certain political and economic choices in so far as their purpose was to ensure that working and non-working hours are so arranged as to accord with national or regional socio-cultural characteristics". It was up to national courts to decide whether "the restrictive effect of such measures on the free movement of goods exceeds the effects intrinsic to trade rules".

This is the Court's familiar doctrine of "proportionality". The verdict, which will have profound implications for the UK retail trade, is widely regarded as ambiguous.

The Keep Sunday Special campaign, which opposes extensive Sunday shop opening, said this meant a ban on Sunday trading did not break the treaty and said it was grateful to the Court for "upholding this vital part of our heritage".

However, the Shopping Hours Reform Council, which is in favour of shops opening on Sunday, said it was "very pleased with the judgment" because "it resolved an important point of law... in favour of

the companies who brought the proceedings."

Both sides agreed, though, that the effect of the ruling is to put the whole problem of the UK's widely disregarded Sunday trading laws back into the hands of the British courts and eventually the UK government.

The government said yesterday it was "considering the judgment".

Although shop opening on Sunday is allowed in Scotland, it is restricted in England and Wales but with a number of anomalies. Many shops do open on Sundays, risking a £1,000 fine.

Some councils enforce the law rigorously while others turn a blind eye.

However, Hamleys, the famous toy shop in London's Regent Street, has been threatened with an injunction to stop it trading on Sunday after it

recently opened on two Sundays.

The store said it was now applying to be a tourist attraction which under the Shops Act would allow it to open on 18 Sundays a year.

The Conservative Party manifesto for the last election promised the government "would look for an acceptable way forward to bring sense and consistency to the law on Sunday trading". A Shops bill in 1986 was narrowly defeated.

The European Court ruled on the question of whether the Shops Act 1969, the law which controls shop opening, constituted a breach of the Treaty of Rome on the grounds of restraining trade within the EC by preventing imported goods being sold.

The case was referred to the Court by Cwmbran magistrates court in South Wales. Torfaen Borough Council alleged that B

& Q, the do-it-yourself retail chain, had broken the Shops Act 1969 by opening on a Sunday. B & Q's defence was that the Shops Act contravened the Treaty of Rome.

B & Q said the case would now have to be heard by the Cwmbran court, which will have to decide whether the restriction on trade caused by banning Sunday opening exceeds the effect intended by the Shops Act. The case could go to appeal whichever side loses, and could work its way up the hierarchy of courts.

B & Q said it had done surveys on 17 of its shops which had been opening on Sunday and but then stopped doing so. These shops' weekly turnover fell by 22 per cent when they closed on Sunday. B & Q said this suggested that there is a "Sunday pound" which if not spent in shops on Sunday will be lost to the retailer.

# EC role 'enhanced by E Europe events'

By Ralph Atkins

SIR GEOFFREY HOWE, the Deputy Prime Minister and former Foreign Secretary, sought to boost the Government's pro-European Community credentials last night, arguing that the Community's role was likely to increase as developments in East Europe unfolded.

In a speech to the Institute of Directors centring on European developments, he argued for a strong manufacturing sector to compete in a single market from 1992 and stressed the benefits of the Exchange Rate Mechanism.

Directors were urged to intensify their resistance to excessive pay awards. "Together we must hold the line against excessive settlements, in public and private sectors alike... Directors and Cabinet ministers must hold the line in respect of their own salaries," Sir Geoffrey said.

He added: "The really strong economies - like West Germany and Japan - are successful both in services and manufacturing. His speech will add spin to the rumbling dispute within the Conservative party on Britain's role in an evolving

Europe. He attacked head-on scepticism about a more integrated Europe, particularly remarks earlier this year by Sir John Hoskyns, former director general of the IOD.

"By claiming that 1992 looked like being a 'fiasco', his comments set back the argument at precisely the moment when what was needed from business leaders was not public prejudice but clear thinking," Sir Geoffrey said.

The challenge now being faced was to open "our Europe" towards the East without weakening its collective strength, to ensure that the West retained its own military and political force as it rose to meet the hopes of the East.

"Like a magnet so strong that it has forced apart the component parts of another, weaker block, and attracted them powerfully towards it, the EC has emerged as a key factor in prompting the tide of reform that is now sweeping Eastern Europe."

He said great care must be taken not to change "a winning formula" but said role of the EC is more likely to be strengthened by the events that are now unfolding.

# Trade improvement begins to impress the City's sceptics

By Peter Norman, Economics Correspondent

THE STEADY month-by-month fall in Britain's current-account balance of payments deficit since July is beginning to impress the City of London's sceptical economists.

Yesterday's news that the deficit in October fell to a seasonally adjusted £1.64bn from £1.62bn in September, and was therefore around £150m lower than the consensus of analysts' forecasts, was welcomed by some commentators as a sign that the current account may at last be on the mend.

"We seem to have seen the end of the terrible twos," said Mr Peter Spencer, UK economist of Shearson Lehman Hutton, in a reference to the monthly deficits of £2bn or more which at times over the past year have pushed down sterling and contributed to upwards pressure on interest rates.

"I think we have turned the corner," commented Mr Ian Harwood, an economist at Warburg Securities, although he noted that the improvement in the monthly figures would be "painfully slow".

The Treasury, a victim of many a false dawn on trade figures in the past, was unwilling to discuss the future. However, commenting on the figures for the three months to October compared with the May-to-July period, it noted that the 3 per cent growth of volume exports, excluding oil and erratic items such as ships, North Sea installations, precious stones, aircraft and silver, was twice the 1.5 per cent growth of volume imports in the same period.

Volume exports, excluding aeratics, were up 10 per cent in the latest three months compared with the same 1988 period while imports were only 8 per cent higher. The figures mark a potentially significant crossover. Until September, three months' volume imports had been growing at a faster rate than exports on a year-on-year basis.

The volume import and export figures for August to October suggest some UK industries may be successfully switching production to export markets from the domestic market, now that high interest rates are beginning to restrict demand.

For example, volume exports of consumer goods and passenger cars were up by 20 per cent

and 19 per cent, respectively, compared with August to October last year, while the volume growth of car and consumer goods imports slowed to 16 per cent and 13 per cent in the same period.

According to Mr Spencer, figures showing a drop of nearly 7 per cent in the unit value of cars imported between the fourth quarter of 1988 and October suggest that the still strong import growth is being sustained by significant price discounting, reflecting increasingly competitive conditions on the UK market.

Analysts expect that British exports will be sustained by continued strong growth abroad, especially in other European Community countries. Labour troubles at Boeing in Seattle should also give a short-term boost to the trade figures because they will delay delivery of new 747 airliners ordered by British Airways.

When those aircraft are delivered next year, the British economy should have allowed sufficiently under the impact of 15 per cent base rates to prevent a large upsurge in the monthly deficit figures, analysts argue.

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# PERESTROJKA AND THE SOVIET ECONOMY: IMPLICATIONS FOR DOING BUSINESS WITH THE SOVIET COMPANIES

Leningrad, 4-5-6 January 1990

Four years ago, the Soviet leadership has initiated a series of reforms directed to increase the role of the market in the Soviet economy and to gradually open that economy to foreign participation and competition. LIMI (Leningrad International Management Institute), the joint venture between Bocconi University of Milan and Leningrad State University, is organizing a series of seminars aimed at a better understanding of the rapidly changing Soviet economy and of the "new" business possibilities for Western corporations arising from this process.

In January 1990, LIMI will organize a conference whose purpose is that of gathering together top businesspersons, bankers, academicians and political experts to discuss the effects of the "Perestrojka" and of the changing global strategies on:

- the perspectives of the Soviet economy
- "new" business opportunities and how to deal with them.

Individuals who will be participating include, among others, O. Bogomolov, Director of the Economic Institute for the World Socialist Systems; G. Cagliari, Chairman of ENI; I. D. Ivanov, Vice-President of the State Commission for Economic Affairs and Foreign Trade of the Soviet Ministry; W. Leontieff, Nobel Laureate and Professor of Economics New York University; E. Luttwak, Center for International Strategic Studies; S. Piser, international specialist on East-West issues; J. Mroz, President of the Institute for East-West Securities Studies.



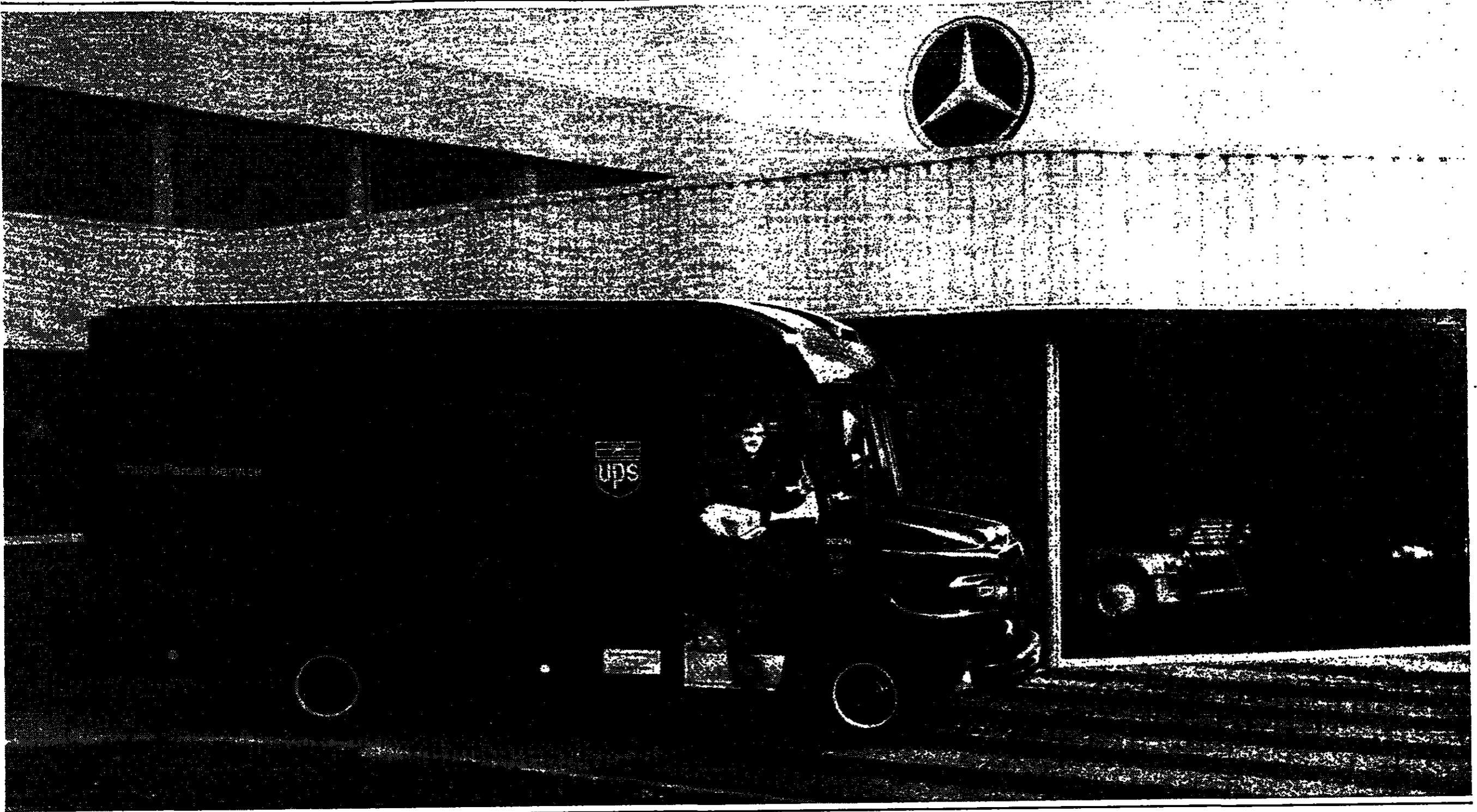
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## UK NEWS

## Rover Group to invest £130m in Cowley plant

By Kevin Done, Motor Industry Correspondent

ROVER GROUP is to invest more than £130m in tooling and assembly facilities for its next generation of executive cars at its plant in Cowley, Oxford.

Rover, the automotive subsidiary of British Aerospace, said it planned to concentrate executive car production on the 90-acre site of its Cowley body plant, which is likely to mean the closure of its Cowley North Works.

Rover has already announced that its 46-acre Cowley South Works, which assembles its Maestro and Montego car ranges for the early 1990s, is likely to close in 1992.

Rover said the future of the

41-acre site of the Cowley North Works, which assembles the Rover 800 executive car range, was still uncertain. However, it was unlikely to be used for vehicle production.

Rover said that the move to consolidate its Cowley operations on its body plant site would have no effect on employment at the plant. Rover employs 8,100 at Cowley.

Rover said last year that the decision to close the Cowley South Works could lead to the loss of as many as 2,400 jobs, but it believes that employment cut can be achieved by natural wastage.

Rover employs 4,050 in the Cowley body plant, 2,600 at Cowley South and 1,450 at

Cowley North.

The £130m investment plans for Cowley should remove earlier union fears about Rover's commitment to car production in Cowley.

Rover has told the workers it plans to produce a new generation of executive cars at Cowley in the early 1990s, codenamed R17/18, to replace its present Rover 900 series, which was launched in 1986. It is producing 43,000 models in the range a year.

It has also announced plans to produce a range of high performance coupes at Cowley for introduction in the US in 1992.

Rover said that the new facility will be fully commissioned in the early 1990s.

## Antidote closer for foot and mouth

By David Fishlock, Science Editor

BRITISH scientists believe they might be able to develop an antidote to foot and mouth disease, which affects cattle, because of discoveries made during atom-smashing.

The Science and Engineering Research Council said yesterday that the atom-smashing research had enabled scientists to break down the structure of the foot and mouth virus, enabling it to examine the development of antibodies.

Professor William Mitchell, chairman of the Science and Engineering Research Council, said it was an example of a valuable discovery for society from esoteric science.

"Unexpected connections are the substance of science," said Prof Mitchell, whose discovery was disclosed to Parliament this week with publication of the council's annual report, accounting for a net expenditure of £268m last year.

The virus structure was worked out by an Oxford University team led by Prof Sir David Phillips, chief scientific adviser to the Department of Education and Science, collaborating with one of the council's laboratories at Daresbury, Cheshire which has an atom-smashing machine designed specifically to generate synchrotron radiation, an intensely bright source of X-rays.

Using these X-rays the scientists have photographed the crystal structure of the foot-and-mouth virus encouraging hopes of finding a treatment.

## EC urged to integrate transport plans

By Kevin Brown, Transport Correspondent

THERE is an urgent need for integrated transport planning throughout the European Community, according to a House of Lords Select Committee report published yesterday.

Road and rail provision is inadequate throughout the EC, but particularly in the UK, the Lords committee on the Community says in a report on transport infrastructure.

The problem was illustrated by the congestion and delay experienced throughout the Community, and by declining public investment in transport, which fell from 1.5 per cent of gross domestic product in 1975

to 0.9 per cent in 1985.

"The failure to invest may be a material factor in the slow growth of Community GDP and in the varying performance of national economies within the Community," Europe's transport network is central to a healthy and expanding economy, but these figures clearly suggest it is not receiving the priority required," the report says.

The committee says economic growth is likely to strengthen the position of states at the centre of the Community, while those at the periphery would need an adequate network of transport links to ensure that they share in the increased prosperity.

This was especially important in the UK, where transport infrastructure was less developed than elsewhere in the Community.

The committee also calls for the Council of Ministers to adopt a more positive attitude to transport in Europe. The Council's failure to implement proposals put forward by the European Commission was "indicative of a lack of political will to carry out a major objective of the Treaty of Rome."

However, the report rejects

proposals put forward by the Commission for a transport infrastructure fund, which it says would be impractical. Instead, the report says guaranteed long-term finance should be made available to national governments from the Community's existing budget.

Looking at domestic transport policies, the committee urges the UK government to adopt a "more positive and concerted" approach, and warns that there is a real danger that UK infrastructure "will not be up to the rapidly growing needs of internal and external traffic."

## Unique legislation frees MPs, Lords from party control

### Vote to decide embryo research

By Alan Pike, Social Affairs Correspondent

THE GOVERNMENT yesterday introduced a "unique piece of legislation" which will give Parliament a free vote on whether research using human embryos should continue.

The Human Fertilisation and Embryology Bill has been structured in a way which will enable MPs and the members of the House of Lords, by a single amendment, to make a decision on the potentially emotive research issue. It is likely that the vote in the Lords will come early in the new year, and in the Commons in the spring.

Lord Mackay, the Lord Chan-

cellor, describing the Bill's provision for allowing a free vote on alternatives as unique, said: "The Government does not have a collective view on this subject and it will be most interesting to listen to the debate and see the outcome."

Medical research organisations are in favour of embryological research for up to 14 days after fertilisation under appropriate controls.

Mr Kenneth Clarke, Health Secretary, said that he would personally vote in favour of continuing to permit research. He believed "not to do so would set back very seriously the prospects of improving sci-

entific knowledge of congenital health disorders."

The Bill proposes to establish a Human Fertilisation and Embryology Authority, bringing under its control infertility treatments like In Vitro Fertilisation (IVF) and Artificial Insemination by Donor (AID). Licences regulating the treatment and storage of embryos, and, if Parliament agrees, research - will be issued by the authority.

Mrs Ann Winterton MP, secretary of the all-party Pro-Life Group, said the Bill "appears to give less protection to the human embryo that currently exists for animals."

## Sharp divergence in steel costs favours West German companies

By Nick Garnett

THE PURCHASE cost of steel in the UK for British manufacturing companies has risen by about 20 per cent over the past five years but the prices for steel paid by their West German competitors during the same period has fallen by 10 per cent.

The comparison has been made solely for hot rolled coil. Meps says this demonstrates typical price movements for flat products which account for 85 per cent of steel used in Europe.

However, hot-rolled, coil probably does over-emphasise the price movement. Cold-rolled sheet, which is a more commonly used steel type, has shown somewhat smaller movements in price.

The divergence in purchase costs for the steel consumer is also much smaller if the figures are converted to a common currency. On this basis, the price of hot-rolled coil in the UK has moved between 97 per cent and 110 per cent of the German price and is now about the same.

The picture is also different for those British companies heavily dependent on exports

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## In Brief

### Ship group property plan worth £200m

Sea Containers, Bermuda-based shipping group which owns the Sealink ferry company, announced plans for a £200m property development on surplus port land at Harwich, Essex.

It allows the announcement last month of plans for a £200m property development at Folkestone, a Sea Containers port which will lose its ferry service to Boulogne when the Channel Tunnel opens in 1993.

Home lending rises

Building society lending continued to rise last month despite the increase in interest rates. Figures from the Building Societies Association, the organisation for the UK home loans and savings institutions, show loans reaching the highest level this year at £2.4bn.

Young to Salomon

Lord Young, former UK trade secretary, is to join the board of Salomon, the Wall Street investment bank as chairman of the executive committee of Salomon Brothers International Limited, Salomon's European subsidiary.

Intermediary charged

Mr John Malone, a financial intermediary who traded as J.G.M. Financial Services, has been arrested and charged with 20 alleged offences of theft and fraud by Manchester police fraud squad.

Surgeons cycle call

Cyclists should wear crash helmets and be forced to take tests before being allowed on the road, and motorcycles should be banned or their engine size limited, says a Royal College of Surgeons report.

Sell-off doubt

Mr John Lyons, leader of Britain's power station engineers, said he doubted that the Government would achieve its aim of privatising the electricity industry before the next general election.

Ambulance dispute

Ambulance union leaders used to disregard management "dirty tricks" and not be provoked into refusing to answer emergency calls. Mr Roger Poole, chief union negotiator, accused Mr Kenneth Clarke, Health Secretary, of running a campaign aimed at goading staff into refusing such calls so they would lose the swell of public support for their case.

## Cambridge seeks £250m private fund

By John Hunt

CAMBRIDGE University is seeking private funding of £250m over the next 10 years to pay for a wide-ranging development plan to expand facilities and degree courses at the university.

"Government constraints on educational expenditure have necessarily obliged universities to look for outside help," said Professor David Williams, vice-chancellor of the university.

The university has managed to balance income and expenditure over the years but its accumulated revenue reserves are less than 1 per cent of annual expenditure which amounted to £110.5m in 1987-88.

A new trust, the Cambridge Foundation, has been established under the chairmanship of Sir Alastair Pilkington to supervise fund raising.

An important part of the development plan is the relocation of the Department of Biochemistry from its six dispersed buildings to a new site.

There will also be a new venture in management education with the establishment of an Institute of Management Studies to provide new master of business administration (MBA) courses with an emphasis on workplace experience.

The engineering department building programme will be completed with new laboratories and there will be expansion in law studies, clinical medicine, building extensions, and more books for the university library.

## Management 'key to council rent arrears'

By Richard Evans

COUNCILS with rising rent arrears should act more positively to cut the debt by improving management strategies, Mr Michael Howard, Housing Minister, said yesterday.

Mr Howard was responding to a survey by the Audit Commission, the independent watchdog on local government spending, which showed rent arrears in England and Wales to have jumped a third to £40m in the last year.

Arrears have risen nationwide, according to the survey of 250 local authorities. Inner London is the worst affected area, with two thirds of tenants in arrears.

The minister acknowledged that changes made in April last year to housing benefit arrangements may have contributed to arrears by causing administrative problems for local authorities while they and tenants adapted to the system.

"But we also accept the commission's view that councils have now had time to come to terms with the changes," he said.

Mr Howard welcomed the study, which concluded that many councils could reduce rent arrears significantly by better management and more

efficient rent collection systems.

He said that while some councils are moving in the right direction he was concerned that others were apparently doing little to reduce arrears.

From April next year tenants who pay on time will have to make up the defaulters' losses, since new revenue structures will "ring fence" council housing accounts, meaning that shortfalls cannot be made up from general funds.

He urged councils to heed the commission's recommendations, including more rigorous enforcement, better information to the tenant, and firmer guidance from councillors to officials on arrears control and recovery policies.

The sharp rise in rent debt in the last year followed four years when arrears remained stable at about 3 per cent of total rent owing. The figure has now risen to 4 per cent on average, with 14 authorities improving their position, 107 seeing arrears rise by 50 per cent and 17 authorities seeing them more than double.

Survey of Local Authority Housing Rent Arrears. Audit Commission, HMSO, £3.50.

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# EUROPE-JAPAN: OPENING UP A NEW SILK ROAD

Ever since the Meiji Restoration, when the Land of the Rising Sun began opening itself to the Western world, Europeans have been fascinated by Japan. With much the same feeling, in recent years, they have been witnessing its spectacular economic success. The relationship, however, has been overwhelmingly trade oriented. Now, a growing number of Europeans and Japanese are seeking a better understanding of each other's culture. Indicative of this new attitude is the choice of Japan as the theme of this year's Europalia, the first non-European country to be so chosen.

## The Economic Miracle: Is Culture an Explanation?

A key question: Can Japan's economic success be explained by its culture? The uniquely Japanese management system, based on the 'three sacred vessels' of lifetime employment, seniority-based promotion and enterprise unions, was examined; so too was an element integral to the three — the Japanese emphasis on quality. Spurred largely by its obvious benefits and the competitive demands of the marketplace, some features of the system have been finding a growing number of takers in Europe.

If Japanese management techniques are essentially a 'cultural' phenomenon, this would be belied by their acceptance in Europe. Subtle distinctions between 'culture' and 'civilisation' were attempted at the symposium. It soon became evident that a genuine understanding of culture includes an appreciation of cultural differences. This would be vital to managing conflicts before they get out of hand.

new 'individualism' and towards a more humane corporate culture.

## Competition and Co-operation: A Synthesis

The Japanese corporate model, with its closely knit elements of competition and co-operation, might become the kind of 'corporatist' approach which will be required in post-industrial societies. It was pointed out that the conflicting undertones in the term 'cultures' may well disappear as the world advances towards a universal techno-civilisation, and that mutual cultural understanding is vital to limiting frictions in this process.

## 'Rights' and 'Duties'

Other apparent dualities, such as differing conceptions of rights and duties were also considered. The focus has not been the same in Japan as in Europe. 'Ritsuryo-seido', the first system of codified law in ancient Japan, was grounded in the concept of 'duties'. The

Brussels — Within the framework of this European showcase which the Japanese say took them '25 centuries to prepare', Seiko Epson Corporation — a leading manufacturer of information-processing equipment — recently sponsored a symposium in Brussels on "Japan and Europe: Changing Contexts and Perspectives", in collaboration with the Japan Institute of International Affairs. Featuring a panel of eminent personalities from Japan and Europe, it provided a rare opportunity to hear expert views on the relationship between technology and culture in Japanese society.

## The Hidden Face?

The "hidden face" of Japan was another leitmotiv. Europeans are often baffled by what they believe are complexities peculiar to Japan but seem reluctant to decipher them and tackle them squarely. Would it not be worth asking to what extent the outside world is responsible for uncovering this "hidden face" and how much it is up to Japan to reveal it?

Surprisingly, one theme which was not discussed was the question of language itself. Since every language has a logic of



Ronald Dore

its own, it would have been worth considering the extent to which Japanese, based on the ideogram, as well as the spirit which it contains, may be difficult for Europeans to grasp. No doubt, the converse is also true. Hence the effort made by the Japanese to learn European languages in order to understand the Western spirit is worth appreciating. Would it not be fair to say that if more Westerners were inclined to learn Japanese, they would surely be in a better position to decipher the codes inherent to this culture?

There appears to be a measure of ambivalence in the Japanese attitude, which is one of being westernised in their dealings with the external world while remaining 'Japanese' at home. Is this the same utilitarian approach that allowed Japan to 'open up' to the West over a century ago, successfully adopt the Western route to industrialisation, and all along retain its 'Japanism'? Indeed, were not the Japanese perhaps the first to put into practice Marcus Aurelius' concept according to which "that which is not useful to the hive is not useful to the bee"?

## Global Housekeeping: Japan's Potential Contribution

Japan was called upon to apply its proven skills in managing its domestic economy to the growingly urgent task of 'global housekeeping'. One aspect of this was a suggestion that more talent be drawn from Japan into the international

organisations involved in managing global problems. The other was an appeal from the Europeans for Japan to recycle a share of its substantial earnings into development aid and environmental programmes. Mention was also made of the commonality of interests which must now be seen in the challenge to global survival. More specifically, the idea of a joint European-Japanese Initiative for Human Survival was cited as adding a timely and much-needed moral dimension to this partnership.

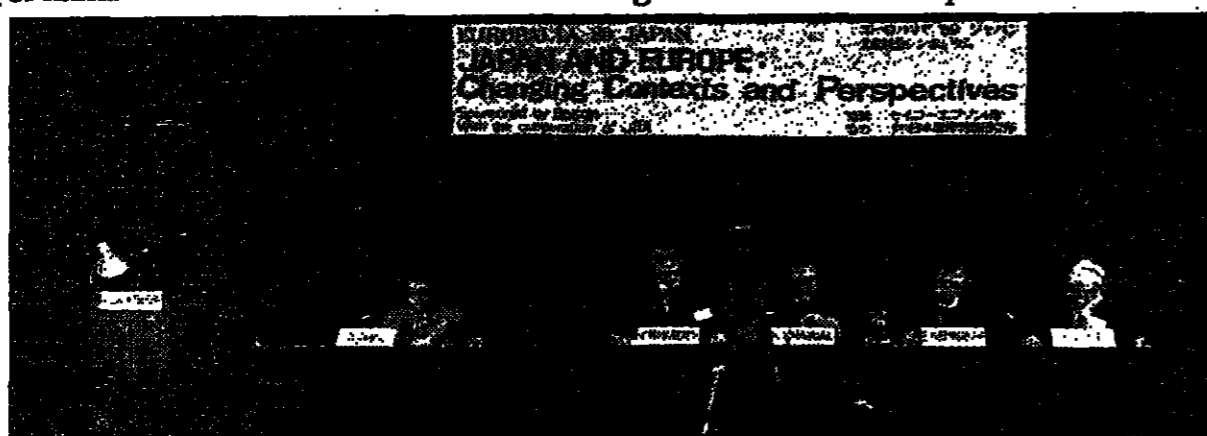
## Building the Euro-Japanese Relationship

At this time of unprecedented changes in every sphere of global life, a clearer definition of common interest is necessary to build a strong Euro-Japanese relationship. The onset of the 'Pacific Era' seemed to be the strongest rationale for a better understanding of the leading country in the region.

In this context, the symposium was aptly used as a forum by Mr. Willy de Clercq, Chairman of the External Relations Committee of the European Parliament, to announce plans for a 'European Year in Japan' in 1993 in the framework of a new 'European Community-Japan Initiative' recently formed in Brussels.

It seems to be a paradox that the new internationalisation has been accompanied by an acute awareness of borders. In such circumstances, cultural exchanges may be as important as economic co-operation in adding depth to dialogue. As one panellist remarked, "businessmen have so far been the most visible on the 'Silk road'". It seems to be time that others also begin to make the journey on a road that is as free of obstacles as possible.

This article was written by Claude-Armand Marbaix who is a Brussels-based correspondent for Radio Canada International.



## Constancy and Change: Two aspects of Japanese Society

Is Japan 'constant' or is it 'changing'? Winds of change are now blowing from quite an unexpected direction. Europeans are awed by the rising voice of women in the political life of Japan. Equally surprising is the emergence of a new generation moving away from the post-war priority of economic prosperity to a more diverse set of environmental, cultural and spiritual goals. It is from these two groups that pressure is expected to move Japanese society from homogeneity to diversity, from group consciousness to a

emphasis in the West, however, has been on 'rights'. This could be illustrated by the considerable difficulties encountered by those who introduced Western culture into Japan, when they attempted, in the 1870s, to translate the word 'rights' from the works of Montesquieu and Rousseau into Japanese.

It was, nevertheless, pointed out that while Japanese women in the past went to the polls as 'a duty' they had now decided to cast their vote as 'a right'. As a result of this change in voting behaviour, the ruling party was defeated in last July's election to the Japanese House of Councillors.

EUROPALIA 89

日本  
JAPAN IN BELGIUM

Participants at the symposium: Robert Chabbal, Director, Science, Technology and Industry, OECD; Willy de Clercq, Chairman of the External Relations Committee of the European Parliament; Ronald Dore, Professor, Imperial College of Science and Technology; Jacques Grootaert, Chairman of the Board, Générale de Banque, General Commissioner, Europalia 89 Japan; Eshima Hamaguchi, Professor, International Research Centre for Japanese Studies; Sumiko Iwano, Professor, Keio University; Guy de Jonquieres, International Business Editor, Financial Times; Hidetada Maezawa, Editorial Writer, Nihon Keizai Shimbun; Yoichiro Murakami, Professor, University of Tokyo; Heinz Stadlmann, Editor in charge of business and company news, Frankfurter Allgemeine Zeitung; Takeshi Umehara, Director-General, International Research Centre for Japanese Studies; W.R. Vande Walle, Assistant Professor, Catholic University Leuven; Simone Veil, Member of the European Parliament.

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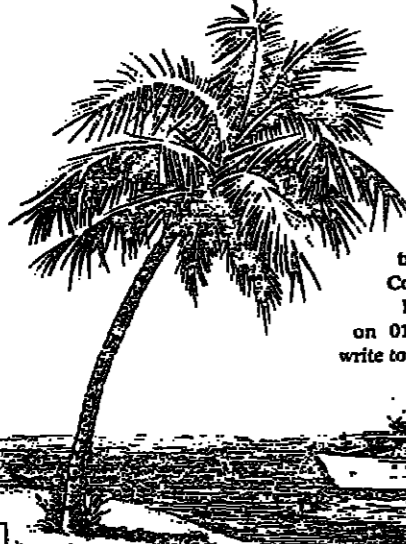
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# No exemption from liability for fire

**DORSET COUNTY COUNCIL v SOUTHERN FELT ROOFING CO LTD**

Court of Appeal (Lord Justice Slade, Lord Justice Balcombe and Lord Justice Butler-Sloss): November 10 1989

A CLAUSE in a building repair contract exempting the contractor from liability for specified types of damage to the structure or works does not exempt him from common law liability in tort, in the absence of express words to the contrary, unless the damage specified could only result from his negligence. And accordingly, inclusion of "fire" in the exemption clause is no defence in tort, in that fire could arise from causes other than negligence and, without express wording, it is inherently improbable that the employer intended to absolve the contractor from negligence.

The Court of Appeal so held when dismissing an appeal by the defendant contractor, Southern Felt Roofing Co Ltd, from Mr Justice McCullough's decision on a preliminary issue, that it would not be exempt liability if it had negligently caused a fire at a school owned by the plaintiff, the Dorset County Council.

LORD JUSTICE SLADE said that in June 1983 the council accepted the contractor's quotation to carry out repair and renewal works to a primary school at Bourton near Gillingham.

On August 27 1983, during the course of the works, the school caught fire and the buildings and contents were severely damaged.

On the present preliminary issue the court was asked to assume that the fire was caused by the contractor's negligence.

The council's County Architect's Department Conditions of Contract were incorporated in the contract.

Condition 1.7 provided that the contractor should indemnify the council against any

liability in respect of damage to property and should insure against such risk.

Condition 2.1 provided that the council should "bear the risk of loss or damage in respect of the works and... existing structure and contents... by fire, lightning, explosion, aircraft and other aerial devices or articles dropped therefrom."

The council asserted that liability for the loss fell on the contractor under clause 1.7, or under an implied term to carry out the works with reasonable care and skill, or in negligence at common law.

The contractor denied liability. It relied on clause 2.1.

The question was whether, on the assumed facts, the contractor was liable for the loss sustained by the council as a result of the fire.

Mr Justice McCullough determined the issue in favour of the council. He concluded that clause 1.7 imposed liability on the contractor for damage caused by the contractor's negligence; and that clause 2.1 did not exempt the contractor from liability which would otherwise fall on it under clause 1.7 and at common law.

The contractor appealed. Mr Wright for the contractor submitted that on its true construction clause 1.7 was no more than a provision by way of indemnity against third party claims, coupled with an obligation to insure against such claims.

That was accepted. Nevertheless on the assumed facts, the contractor must still be liable to the council in tort unless clause 2.1 absolved it from such liability.

The outstanding question therefore, was whether clause 2.1 on its true construction, was wide enough to exempt the contractor from tortious liability which would otherwise fall on it at common law.

While clause 2.1 was not in terms expressed as an exemption clause, it was accepted that a clause stating that one party should bear the risk of

specified heads of damage, might be capable of exempting the other from common law liability in tort.

In *The Raphael* [1932] 3 Lloyd's Rep 42, 50 Lord Justice Stephenson said that in interpreting such clauses the court started by trying to discover the parties' intention from the language of the clause considered in the context of the whole contract. Then, he said, common sense told the interpreter it was "inherently improbable" that one party should intend to absolve the other from the consequences of his own negligence - "So the party relying on such clauses needs plain words to cover his negligence and its consequences."

In *Canada Steamship* [1952] AC 182 Lord Merton summarised the principles relating to construction of exemption clauses.

He said (1) if the clause expressly exempted the person in whose favour it was made (the "proferens") from the consequences of negligence, effect must be given to that provision. (2) If there was no express reference to negligence, the court must consider whether the words used were wide enough to cover negligence. If a doubt arose at this point, it must be resolved against the proferens. (3) If the words used were wide enough, the court must then consider whether "the head of damage may be based on some ground other than negligence." The other ground must not be "so fanciful or remote" that the proferens could not be supposed to have desired protection against it.

Those principles represented well-settled law.

The "proferens" in the present case was the contractor, who was the person in whose favour clause 2.1 was made.

Following the route of principle (1), the clause did not expressly exempt the contractor from liability for loss or damage by fire caused by his own negligence.

Fire, no less than the impact of lightning, could occur without the negligence or fault of any human agency. If the draftsman chose to refer to a number of possible other causes of damage which involved no fault on anyone's part, there was no reason why, in referring to fire, he should not have had in mind damage

by fire occurring without negligence on the part of the contractor.

(2) The loss or damage in respect of which clause 2.1 placed the risk on the owner, was not confined to the existing structure and contents. It extended to "the works."

It was common ground that "the works" might include temporary buildings, plant and affixed materials. It could not be assumed that property in the "the works" would necessarily be in the owner rather than the contractor.

One of them might own one part and the other the rest. In those circumstances it was understandable why the draftsman should have wished to make it clear where the risk of damage to "the works" should lie.

To provide that the council must bear the risk of fire damage to "the works" occurring otherwise than by contractor's negligence, would not amount to stating the obvious.

Such provision would achieve a really useful purpose.

The contractor's submission was not accepted. The appeal was dismissed.

Lord Justice Balcombe and Lord Justice Butler-Sloss agreed.

For the council: Christopher Thomas QC and Marcus Towner (Barrow Lyde & Gilbert). For the contractor: Michael Wright QC and David Thomas (Norris Berrymans).

Rachel Davies  
Barrister

Proceeding to principle (2), the words used were wide enough in their ordinary sense to mean that the council should bear the risk of loss or damage by fire, whether or not caused by the contractor's negligence.

Therefore, in accordance with principle (3), one had to see whether there was any other risk, not fanciful or remote, to which the words "loss or damage... by fire" could relate, other than loss or damage by fire caused by the contractor's negligence.

Mr Wright submitted that there was no such risk to which the words could relate. He relied on the words "bear the risk of loss or damage in respect of the existing structure and contents... by fire."

It was not permissible to break up the clause into a number of component parts and to read them in isolation from one another.

One had to read clause 2.1 as a whole.

When it was read as a whole, two significant features emerged:

(1) The heads of loss and damage to which the clause related were not restricted to loss or damage by fire. They included loss or damage by lightning, explosion, aircraft and other aerial devices or articles dropped therefrom.

Even if damage by explosion could be caused by the contractor's negligence, damage by lightning, aircraft and other aerial devices, could not. To say that the council must bear the risk of damage in those categories, did no more than state the obvious.

Fire, no less than the impact of lightning, could occur without the negligence or fault of any human agency. If the draftsman chose to refer to a number of possible other causes of damage which involved no fault on anyone's part, there was no reason why, in referring to fire, he should not have had in mind damage

Correction

In Wednesday's FT Law report (The Ulyanovsk, November 22), the names of the shipowners and the charterers were reversed.

The correct identification is Newasset Shipping Co - shipowners. The charterers were Neopetro Co Ltd.

DAI-ICHI KANGYO BANK

# DKB ECONOMIC REPORT

November 1989: Vol. 19, No. 11

## Japanese Economy Headed Toward Tightening of Credit

Seven months have passed since the 3% consumption tax was introduced in April. Payment of the tax on domestic sales began in October, while a heated debate is now under way in the Diet between the ruling Liberal Democratic Party and the opposition on whether to review or abolish the tax.

### Production in a stalemate

The implementation of the consumption tax has had a major impact not only on the Japanese people's daily lives and on the political scene but also on economic activities such as production and demand. As a result, growth in the nation's gross national product (GNP) dipped to -0.8% in real terms during the April-June quarter after registering a robust 2.3% in January-March. The significant drop was due mainly to a reactionary vacuum following the rush to purchase daily necessities before the introduction of the tax.

The distortion of economic activity ran its course during the April-June quarter, and the economy is believed to have returned to normal since then. However, the pace of economic growth seems to have slowed down.

This slowdown can be seen in industrial production. The production growth in the July-September quarter seemingly remained level with the April-June quarter in which the growth rate compared with the previous quarter was 0%. The year-to-year growth of output is also slowing gradually (see figure). As well, the shipment index for July-August grew only 0.7% from April-June. In the meantime, the inventory ratio of manufactured goods rose, particularly that of consumer goods.

Looking at production by goods, growth of consumer goods decelerated

in April-June from January-March and in the average of July-August from April-June (see figure). The slowdown reflected sluggish personal consumption and decelerated growth in exports.

### Gradual Recovery of Personal Consumption

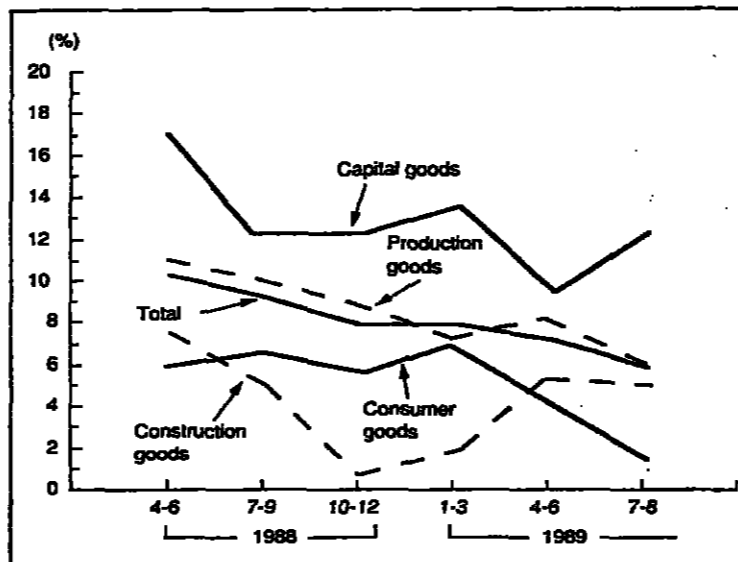
Year-to-year growth of personal consumption slowed to 1.9% in GNP terms in the April-June quarter from 3.9% in January-March. A survey of household spending in July showed that the rate of increase in the average real consumption expenditure per household was still 0.2% lower than in July 1988. In April-June of this year, however, it was 1.0% below its level a year before. Year-to-year growth of consumption expenditures by wage-earning households for July exceeded that of a year earlier, showing signs of a pickup. However, the slowing trend in the year-to-year growth of consumption expenditures by general households (self-employed households and owners of companies) was strengthened in the month compared with the April-June quarter.

Meanwhile, sales at retail stores across the nation for July-August grew 5.7% from the same period a year ago in inflation-adjusted real terms, compared with growth of 3.6% in April-June. Although retail store sales include those to business corporations, this indicates personal consumption will bounce back, albeit at a gradual pace.

### Capital Investment Stays Brisk

The slowdown in consumption and decelerated growth of exports can be seen in recent economic trends in Japan. But this does not deny that Japanese

### Production Growth Slowing, Centering on Consumer Goods



(Note) Year-to-year growth (Source) The Ministry of International Trade and Industry

economic activity is still robust at a high level. Business confidence is good, and investment in plant and equipment remains strong. Among leading indicators of economic activity, private machinery orders received in July-August, excluding those from power firms and those received by shipbuilders, showed a high 13.4% growth from the same month of last year. Meanwhile, private sector construction orders received in July, excluding housing, also increased by 20.8%. This indicates that capital investment will remain strong in the coming months.

### Official Discount Rate Raised

Domestic wholesale prices have shown gradual month-to-month rises since May after posting a stable increase in April. In addition, consumer prices have been on a slight rise or leveled off on a seasonally adjusted basis without a month-to-month drop.

The edging up of prices is attributable to a tightening of the goods and labor supply-demand situations, coupled with the yen's weakness against the U.S. dollar. On foreign exchange markets in particular, the dollar is remaining high, reflecting higher U.S. interest rates, while the U.S. trade deficit has been on the decline. Under these circumstances, coordinated dollar-selling intervention by the monetary authorities of industrialized nations has not yet had a significant impact on currency movements.

Therefore, major European nations raised their official rates in a coordinated manner on Oct. 5, followed on Oct. 11 by the Bank of Japan raising the discount rate from 3.25% to 3.75%. In view of the current economic situation in Japan, the rise in the discount rate is unlikely to dampen economic growth. This in turn means that inflationary pressures will remain strong. With the dollar's strength likely to persist, the BOJ will probably maintain or reinforce its tight monetary policy.

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MANAGEMENT

Rolls-Royce Motors

# The challenge lies in mixing craft-skills with automation

John Griffiths reports on the UK luxury car-maker's strategy for maintaining its independence

Could Rolls-Royce be next? Jaguar is about to join Aston Martin and AC Cars under the hegemony of Ford, and Group Lotus is approaching its fourth year under the umbrella of General Motors. So Peter Ward, chief executive of Rolls-Royce Motor Cars, accepts as inevitable questions about the future status of the company which professes to make "the best car in the world".

Crews-based Rolls-Royce is independent of other vehicle makers. It is not necessarily safe from takeover. Since 1980 it has been part of the Vickers engineering group and is now its single most profitable constituent. There is no current intention that it should be sold.

With a total turnover of £776m last year, Vickers itself is a minnow when measured against the biggest financiers of the world motor industry pool.

And while most analysts think it unlikely that a GM, Ford, Fiat or even a Toyota would seek to snap up Vickers merely to digest perhaps the most prestigious of all car names, the 15 per cent stake taken in Vickers by New Zealand entrepreneur Sir Ron Eriquiry has already demonstrated that it is not immune from speculative winds.

If this potential parental vulnerability is of concern to Ward, 44, he shows no sign of it. He suggests, like the analysts, that direct takeover by another motor manufacturer should be considered unlikely — not least because Vickers' role as a prominent defence equipment supplier means that government approval of the predator would be required.

He also takes the view that he and the similarly youthful management team that has been forged around him since the mid-1980s have enough worries with the factors they can control, without overconcerning themselves about the ones they can't.

Ward is convinced that, despite evidence accumulating to the contrary as other small specialist car makers have given up the independence struggle, Rolls-Royce can remain a viable car maker for the foreseeable future if left to its own devices.

"I really do believe that if we can carry on managing the business in

the way we are doing it now, we will be able to maintain our independence.

"You need to consider that we have a £200m, ten-year investment programme which we are proving capable of funding ourselves, and we have Vickers in the background providing a sympathetic banking route.

"Two other big factors in our favour are that we have a much longer product life, and much greater flexibility on pricing, than any rival. And on top of that we have instituted major changes in the way in which the company operates, the really large savings from which have only recently started to become apparent."

While some Japanese car makers have managed to reduce new model cycle times to less than four years, Rolls-Royces and their Bentley counterparts typically have a life of 15-16 years before being replaced.

That is more than half as much again, even as the models of European luxury car makers such as BMW and Mercedes. And, unlike the other European companies, Ward insists that there is no demand among Rolls-Royce customers for more frequent model replacement — thus providing Rolls with valuable extra time to recoup its investment in a new model.

"Some people are only just prepared to come out of their Silver Shadows (succeeded by the Silver Spirit in 1990)," says Ward. "Most actually want longevity in a model, not least because they don't want the value of their cars undermined by too-frequent replacement."

Primarily for that reason, Ward has no qualms about saying that the current range of Rolls and Bentley cars — with the exception of the Corniche all variants on the same Silver Spirit body shell — will not be replaced until 1995-96.

The big difference next time round, however, is that it is intended to have much greater differentiation between Rolls-Royce cars and the Bentley models which, since the Bentley name was revived in earnest in 1984, have shot from 4 per cent of total sales to just over one-half.

A completely different body design is intended for the next Bentleys, which will be pitched even

more definitively at a younger, more sporting — but still, by necessity, very affluent — breed of owner. "Changes in our manufacturing systems are designed to give us the flexibility to do that."

There is no intention to make Bentleys noticeably smaller or cheaper than current cars, UK prices of which start at £67,000 for the Bentley Eight and rise to £106,000. Rolls-Royces are priced between £95,000 and £124,000.

Only the most expensive Mercedes or BMW models currently come within £10,000 of the very cheapest Bentley.

But Ward and his colleagues display no sense of complacency that Rolls-Royce will be able to operate at infimum virtually on its own in the car market stratosphere.

They acknowledge the possibilities, on the one hand, that Japanese success in the executive car market would force the European luxury car makers to retreat further and further upmarket; and that, on the other, the Japanese themselves may decide to mount a direct assault, leap-frogging over even the most expensive Mercedes and BMW and Jaguar models.

That means continuing, extensive development of the cars throughout their long life and, since 1986, a revolution in the way the company makes them.

On the product front, for example, the just-launched MK II versions of the Silver Spirit and Silver Spur incorporate Rolls' own automatic ride control — a complex system of electronic sensors and variable resistance dampers which automatically adjusts the car's ride and handling to changing conditions as frequently as 1/100th of a second. Mike Dunn, engineering director, says that, whereas Rolls tends to use a technology only when it is fully proven, "for once, we're out in front by world standards."

Dissatisfied with the characteristics of proprietary electronic anti-skid braking systems, Rolls developed its own and now machines the entire braking system itself.

At a lower-tech level, Rolls is now making all its own window frames — "simply because we couldn't get the quality of finish we wanted."

All the above are facets of a strategy which runs diametrically oppo-

site to that being adopted throughout the rest of the world's motor industry.

While other car makers are increasingly becoming assemblers, farming out the design, development and production of more and more parts to component suppliers, Rolls-Royce is becoming increasingly self-reliant and making an ever greater proportion of its cars "in-house".

In 1986, some 50 per cent of the value of a Rolls-Royce or Bentley comprised bought-in parts. Now the level is 35 per cent, and is still going down.

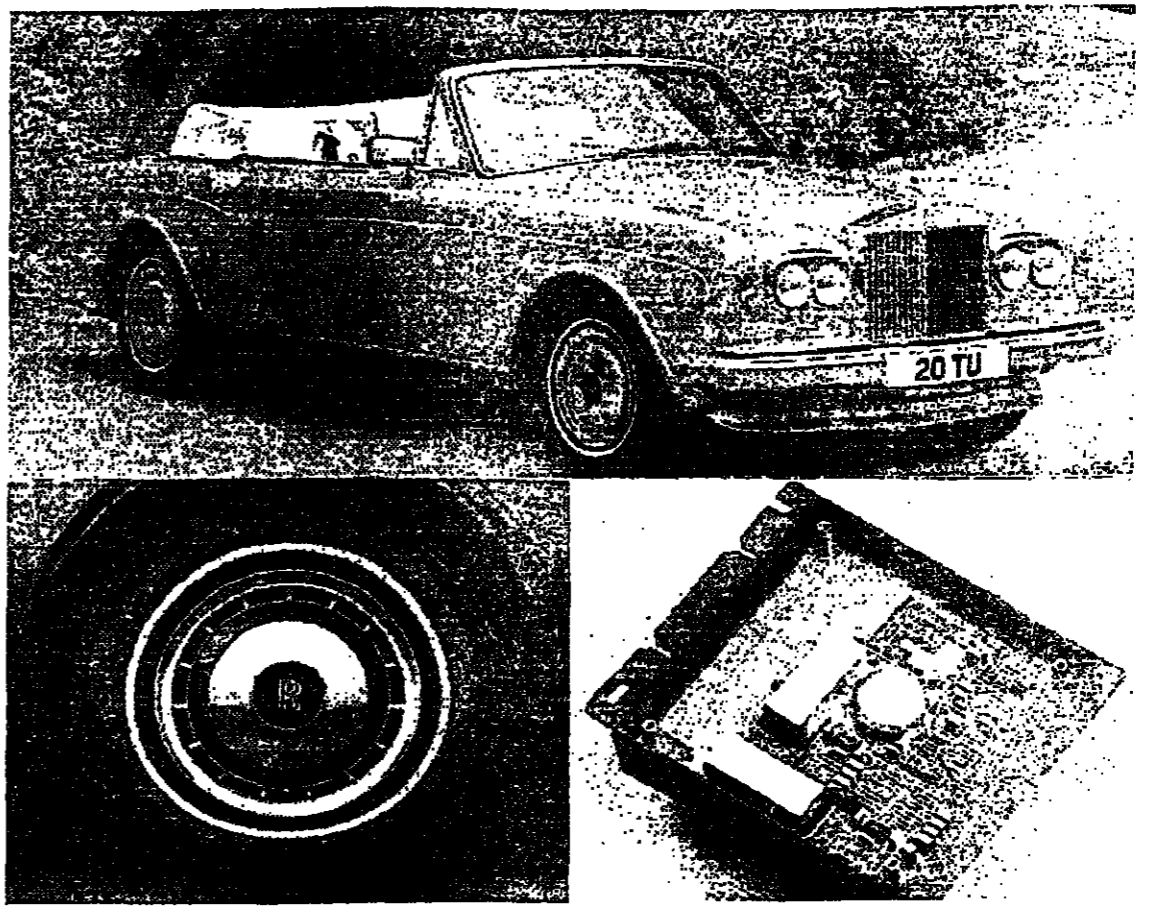
It is the result, says Peter Ward, "of our volume leaving us right at the back of the queue for many component suppliers, some of whom try to exact an unwarranted premium simply because it's Rolls; who charge excessively for any changes we want to make as market demand shifts; and who don't necessarily always deliver the quality we want."

But such an approach would not have been possible were it not for a Board meeting in 1986 which surveyed some of the classic symptoms of time-worn and inefficient production practices — notably, recalls Ward, "constantly chasing short-ages yet elsewhere having high levels of inventory" — and decided to do something radical about it.

The result was the complete re-ordering of plants and processes under a new, computer database-centred operations system, Manufacturing Resource Planning (MRP II). This controlled all aspects of the company's activities.

In essence, Ward and his colleagues were treading a path familiar to hundreds of modernising companies, but perhaps it was a more than usually stony one at Crews because of the complexity of the finished product — each Rolls has 12,000 parts assemblies — and the chaotic, inherited mixture of labour-intensive, and mostly outdated, machining plant and processes with the intensive craft processes which the company has every wish and intention to preserve.

MRP II is bringing inventories under control by monitoring all aspects of building the cars. The



Cars in the current range include the automatic ride control (bottom right) which automatically adjusts the car's ride and handling to changing conditions as frequently as 1/100th of a second

machine shop was the first to go on line, in spring last year, other areas being added in stages, culminating with one of the biggest links in the chain, a new £10m paint shop, three months ago.

Having reached the stage where the right parts are mostly in the right place at the right time, Hill expects to see some £6m stripped out of inventory levels over the coming months.

Overall, productivity has already jumped — "we've gone from making 45 cars a week in 1983 to 59 a week this year, with the same work force," observes Ward.

Ward stresses that nothing will be done to diminish the craft element in Rolls-Royce — the painstaking matching and preparation of wood veneers, the making by hand of a radiator shell with not a measuring instrument in sight; the hand cutting and stitching of the Connolly hide interiors, and so on.

Somewhat, however, this undiminished craft element will have to be reconciled with new assembly techniques when the next generation of cars starts rolling off the line.

"The challenge for us is how to continue to hand-craft while producing cars more predictably and quickly — we have to be able to take benefits from both sides so

that we never become anachronistic and old-fashioned, nor lose our hand-craft skills."

With the next car, the emphasis will be on predictability of build as Rolls' own "just-in-time" production systems become more firmly established. Rolls will have to find a way, for example, of designing the new car so that it doesn't take, as now, up to 16 minutes to hang one door because variations in the size of the hand-made soft trim makes it difficult to fit.

It will also, at some stage in the future, have to make some fundamental decisions about the development of key major components, such as whether it needs to build a new engine, or whether the existing V8 can be further developed to take account of factors such as ever-tightening exhaust emission laws.

Ward stresses his belief that even this should be manageable, given the broad front on which Rolls-Royce is making its sales advances and its profits even after what, for it, are heavy investments.

Last year, Rolls made a £205.2m pre-tax profit on sales of £205.3m, the latest of several profitable years. Its £16m spent on research and development represented 7.25 per cent of sales, nearly double the 1984 level. It is planned to rise to

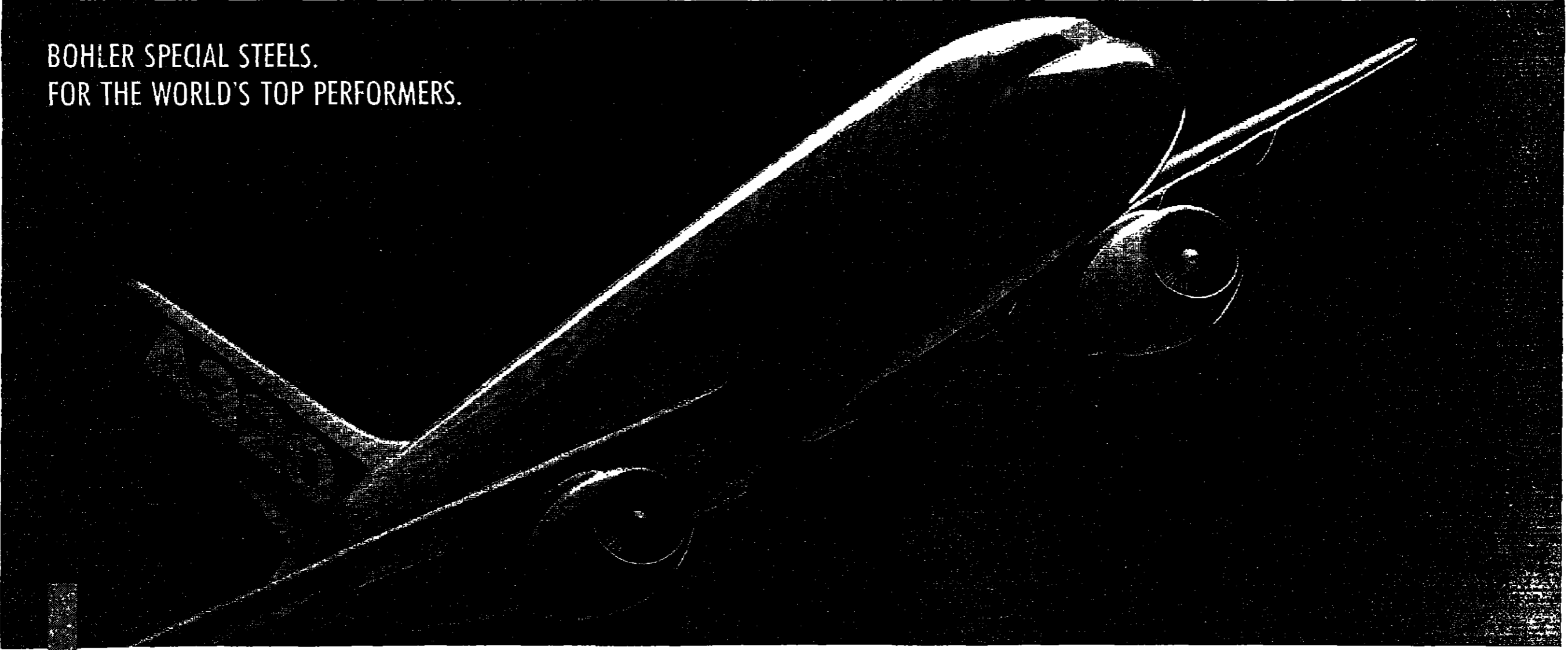
£20m this year.

After achieving 2,801 sales last year, Rolls looks like breaking through the 3,000 threshold this year for the first time in well over a decade.

Not least important, dependence on the North American market — where Jaguar most notably among other European luxury car makers has been financially hit by falling sales and the dollar — has been reduced to the extent that the UK has become its largest single market, with 36.3 per cent of sales in this year's first eight months, compared with 34 per cent in the US, 19.4 per cent in Continental Europe and the Middle East and 9.8 per cent in the rest of the world. Sales growth rates were 62 per cent in the Pacific basin, 56 per cent in Continental Europe, 20 per cent-plus in the UK and 10 per cent in the Middle East. US sales were static.

Ward says, cautiously, that take-overs apart, he thinks it would need "a world market catastrophe" to threaten Rolls-Royce's survival.

Given that Toyota's Lexus out-sold BMW in the US in September, its first full month of sales, some industry observers wonder whether — as seen from a European perspective — precisely such a scenario may be in the offing.



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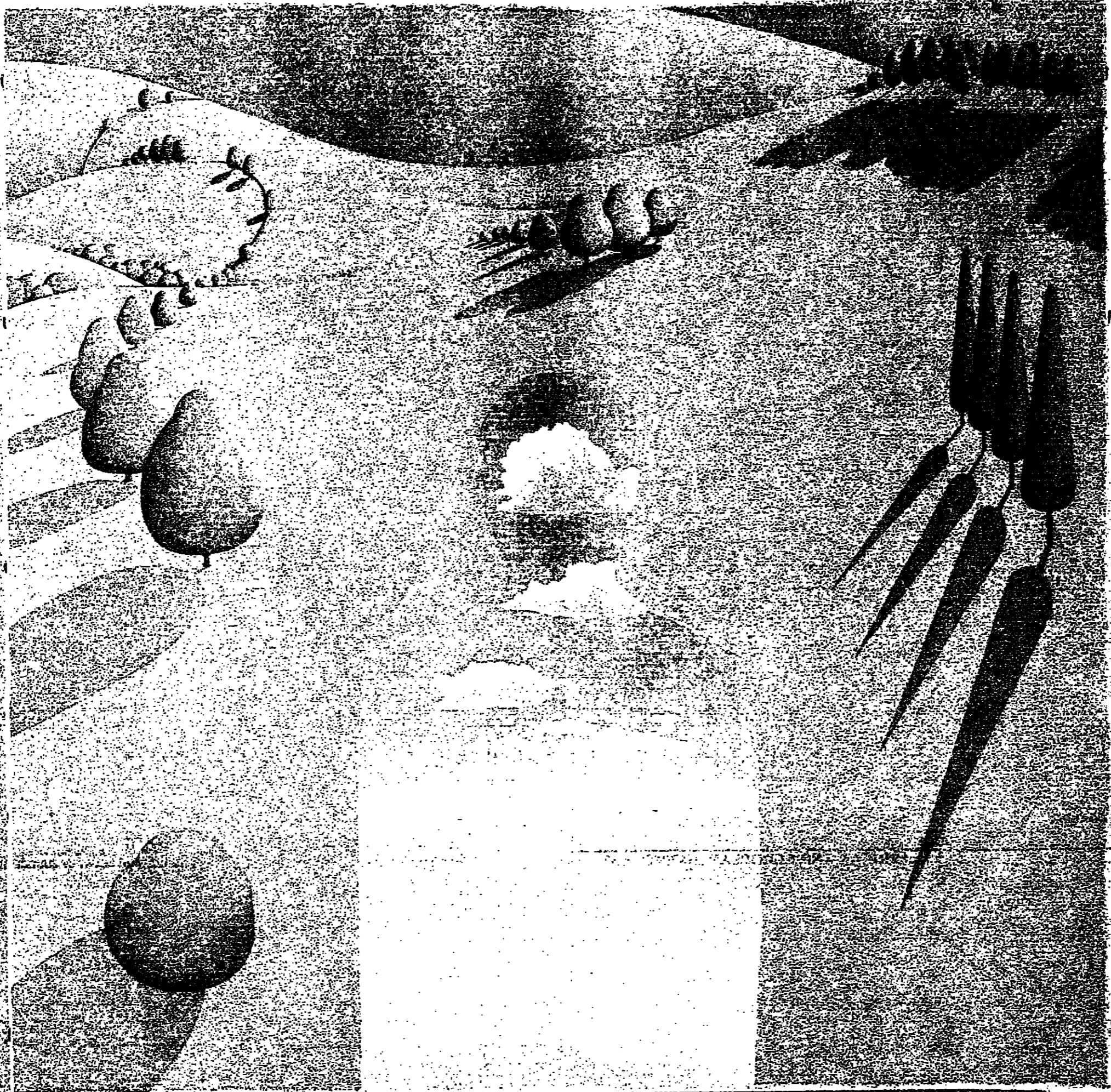


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TECHNOLOGY

# Getting it right the first time

Lynton McLain finds that rapid prototyping can reduce the risk of unpredicted design errors

Technology projects usually involve several design ideas, all seeking to meet changing and often contradictory requirements. Some industries, such as aerospace and car manufacture, have designed projects by an evolutionary process - almost by trial and error - instead of designing to a clear specification for a particular requirement. This philosophy of designing by development is expensive, time consuming and lacks logic.

To help overcome some of these problems, which can devastate fixed or maximum price contracts, a new technique called rapid prototyping has been developed by British Aerospace. It is applicable to all industries, with complex systems to design and manage.

The technique was developed to help BAe control the costs of its biggest maximum price contract - for the European Fighter Aircraft, due to fly in 1991. Rapid prototyping is being used initially in the design of the electronic cockpit of the aircraft. The project also involves Messerschmitt Bolkow-Blohm of West Germany, Aeritalia of Italy and Casa of Spain.

The main development contract, worth £200m, runs for 12 years, with the maximum price set at the outset. Significant penalties will be applied by the defence departments of the four governments if the manufacturers fail to meet the specific requirements, which are more demanding than in any aircraft built in Europe or possibly anywhere.

The company says that its rapid prototyping technique could help in the production of complex products and the management of systems in a wide range of industries.

Rapid prototyping allows ideas to be tried at a cost 1,000 times less than using conventional prototypes. It also allows new ideas to be inserted into the programme without increasing the risk. BAe says the technique offers designers a tool that allows them to "pop new ideas in as the design progresses" without the uncertainty associated with the previous approach of evolutionary design.

One of the problems with complex projects is that often they do not start life as precisely defined, with clear design parameters. The automotive, computer, pharmaceutical, military equipment, aerospace and computer fields have all worked to some extent in this way.

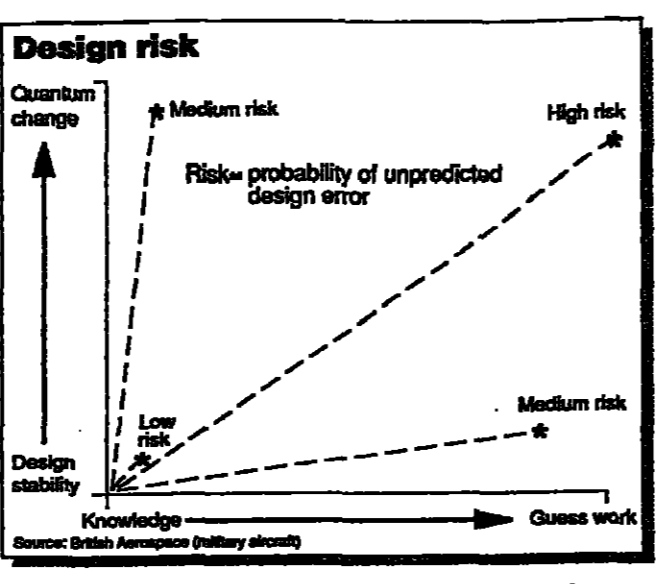
One result is that projects for a new product are sometimes not managed logically. A design idea is tested by making hardware to see if it works, if it does not, the process is repeated until a satisfactory product is designed. Rapid prototyping seeks to improve this costly process.

The electric version of the old-fashioned kitchen kettle came about in this way, according to Bill Scarfe, the chief systems development engineer at the BAe military aircraft factory at Warton, Lancashire. The tall, slim electric kettle of contemporary design, however, was designed to meet a precise requirement, says Scarfe.

Scarfe and his systems development colleagues, Ken Martin, BAe's principal engineer for advanced systems, have devised rapid prototyping as an approach to the management and control of complex systems that could rationalise the way they are finalised and put together. It is a "dynamic iterative (repetitious) design tool," says Martin.

Sometimes, an idea does not come out as expected when it is translated into hardware. A new requirement or a new technology may have evolved since the original design was conceived. The design is modified and new hardware - and software in the case of computer equipment - is produced and tested until a satisfactory execution of the design is found.

Designing products this way is fraught with uncertainties, largely because the designers at the outset are unsure of what they are setting out to achieve. It is high risk, costly and inefficient. The end product may be far removed from



the original design. Rapid prototyping reduces risk and speeds up design by seeking to reduce the probability of unpredicted error, the great unknown in any design. Rapid prototyping does this by increasing the knowledge of the system or design available to the designer.

It offers engineers a low-cost method for simulating initial design ideas, basing evaluation on commercially available hardware components and commercially available computer software. These low cost rigs for testing ideas can be built, dismantled and rebuilt rapidly. Rapid prototyping involves a closed loop for development. This means that it avoids the procurement of production standard hardware before the design of a project is perfected.

Once the designers have defined the particular system they want to test, a design concept leads to a specific, repeatable, prototyping tool, which is used for building the design. Prior to evaluation, this is tested and validated. An analysis feeds information back into the conceptual design stage for revision if necessary.

"This is carried out before any hardware is designed for the procurement of the aircraft. Martin says the rapid prototyping technique enabled the designers to examine the design before it was finalised. "Rapid prototyping enables us to firm up the design before we go to any equipment for production."

The European Fighter Aircraft project was the catalyst for BAe to develop rapid prototyping. This is a maximum price contract, yet it involves unprecedented leaps in requirements and performance. The European Fighter has to perform better in every respect than all opposing aircraft. It will use 30 times as much computer software as the Tornado aircraft that BAe is also producing. It has to have only half the initial defects of the already reliable Tornado aircraft.

The design task is so complex that "all knowledge on the Eurofighter airborne electronics systems, for example, has to reside on paper, or in a computer, not in a human brain," BAe says. The company says that it is no longer possible for any one person to know everything about a project.

Previous complex projects often involved people designing parts of a system without knowing the implications of their work for other parts of the project. Rapid prototyping will enable all computer software on the European Fighter Aircraft to be written and proved before its first flight. This sounds like common sense, but previous aircraft such as the Tornado flew without finished systems or software. Problems, for example, were found. Scarfe admits that in the past "we got it wrong."

The immediate predecessor to the European Fighter Aircraft, the BAe Experimental Aircraft Programme technology demonstrator, was 10 times more complex than the Tornado, yet rapid prototyping reduced its development time by half.

Before rapid prototyping was applied, "the computer software for our aircraft was never written," says Scarfe. It was the first time. It always required further development in order to get it right," Scarfe says.

Software was formerly developed on a piecemeal basis, with a lot of knowledge residing in a very few experts' heads," BAe says. This was fine for simple projects, analogous to simple drawings for a simple machine, but for the complexity of the European Fighter Aircraft the piecemeal basis was inadequate. Software development had to start at the top, with an overall specification that would not change once the final design was undertaken.

This removed one of the uncertainties of complex projects, when specifications were liable to change midway through a design exercise. The working software is to be produced in detail much later in the development of the aircraft using the rapid prototyping technique and their own software methodology.

Scarfe and Martin say the primary goals of rapid prototyping are to reduce the risk, reduce the development time and cost, to give a better end product with better value for money for the customer and better profit margins for the manufacturer.

# The automated valet that expects no tip

Anna Kochan visits St Etienne's car park facility

While car drivers in Paris are liable to have their driving licences confiscated if they infringe the parking regulations, in St Etienne drivers have the opportunity of leaving their cars in a new fully automated car park.

The car park is the brainchild of local company EETIC. Its president, Eric Sigoure, claims the car park can store twice as many cars per cubic metre of space as a conventional multi-storey.

Construction costs are slightly higher, though running costs are lower. Perhaps most important, at least as far as the public is concerned, is that the car park is vandal-proof.

Situated close to the centre of the main shopping district in St Etienne, the car park cost FF14.5m (£1.5m) to build. It is constructed on eight storeys, two of which are underground, and has 184 spaces for cars.

The driver takes his car into an entry point, leaves it with the hand brake on, and safeguards the ticket that is automatically issued to him as he wanders from the car park.

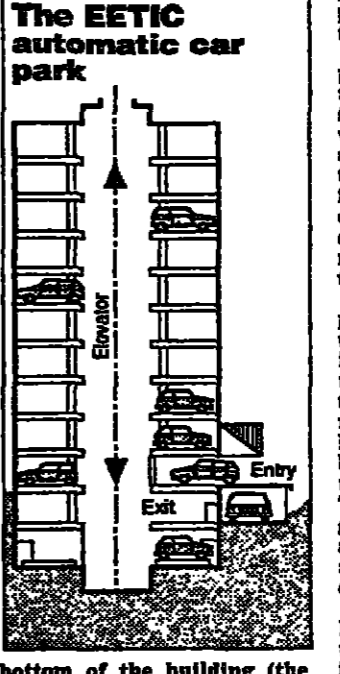
When the time comes to remove the vehicle, the user feeds this ticket into a machine at the exit point, pays the sum indicated by the machine and within 65-80 seconds the car is automatically delivered. No human intervention is required but Sigoure says that the car park will operate with full-time surveillance, despite the many sensing and safety devices incorporated.

Cameras are located at strategic places inside the car park so that the operation can be watched remotely. As more cars park of this type begin to appear, Sigoure hopes to expand the heart of the automation in a computer system which keeps track of the location of all the vehicles. The software itself is not complicated because the information is not extensive. For each transaction, it should be established by the end of next year.

Since car parking is not only a French problem, Sigoure hopes to have his first project outside France operating in two to three years.

Between the two walls of parking spaces is a central rectangular "well" containing an automated handling system. This system incorporates two elevators which share the work of storing and retrieving the vehicles. The elevators carry the vehicles on a platform from the entry point, bring it through a "hatch" in the wall into the internal well and deliver it to its parking place.

The elevators run the length of the well on a system of floor-supported rails and can raise the platform from top to



bottom of the building (the concept is modular so EETIC can configure the construction to fit the space available).

Sigoure claims to have five or six interested parties in his automated car park and is on the point of signing a contract for his second project - a car park for about 130 cars, distributed on 22 floors, for Nice town centre. It should be established by the end of next year.

Since car parking is not only a French problem, Sigoure hopes to have his first project outside France operating in two to three years.

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### COMPANY NOTICES

#### AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF PREFERENCE STOCK WARRANTS TO BEARER PAYMENT OF COUPON NO. 84

With reference to the declaration of dividend on 16th November 1989, the following information is published for the guidance of holders of stock warrants to bearer:

The dividend of 3 cents per unit of stock was declared in South African currency. South African non-resident shareholders' tax at 0.45 cents per unit of stock will be deducted from the dividend payable in respect of all stock warrant coupons bearing a net dividend of 2.55 cents per unit of stock.

The dividend on bearer stock will be paid on or after 15th February 1990 against surrender of coupon No. 84 detached from the stock warrant to bearer in order:

- (a) At the office of the following continental paying agent:
  - Conti de Nord
  - 6-8 Boulevard Haussmann
  - 75009 Paris
- (b) In respect of coupons lodged at the office of the continental paying agent the dividend will be made in South African currency to an authorized dealer in exchange in the Republic of South Africa nominated by the continental paying agent. Instructions regarding deposit of the proceeds of the payment so made must be given to such authorized dealer by the continental paying agent concerned.
- (c) At the Securities Department of Hill Samuel Bank Limited, 45 Beach Street, London EC2P 2LX. Unless persons depositing coupons at such office request payment in cash to an address in the Republic of South Africa, payment will be made in United Kingdom currency either:
  - (i) in respect of coupons lodged on or prior to 16th February 1990 at the United Kingdom currency equivalent of the net dividend value of their dividend on 11th December 1989; or
  - (ii) in respect of coupons lodged after 16th February 1990 at the prevailing rate of exchange on the day the proceeds are realized, through an authorized dealer in exchange in Johannesburg to the Securities Department of Hill Samuel Bank Limited.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10 am and 3 pm.

United Kingdom income tax will be deducted from payments to any person in the United Kingdom in respect of coupons deposited at the Securities Department of Hill Samuel Bank Limited, unless such coupons are accompanied by valid exemption certificates and/or declaration forms. Where such declaration is made, the net amount of the dividend will be the United Kingdom currency equivalent of 2.55 cents per unit of stock in respect of sub-paragraph (b) above arrived at as follows:

South African Currency	Cents net of Stock
Amount of dividend declared	3.00
Less: South African Non-Resident shareholders' tax at 15%	0.45
Less: U.K. Income tax at 10% of the gross amount of the dividend of 3 cents	0.30
	2.25

For and on behalf of  
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London Secretaries  
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24th November 1989

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ANNOUNCE THE FOLLOWING

It has been determined at a Board Meeting held on 16th November 1989 that the interim dividend for the year ended 31st March 1990 shall be paid to shareholders of record as of 30th September 1989 at rate of 2.50 Yen per share on and after 15th December 1989. Semi-annual report for six months ended 30th September 1989, will be available at Hambros Bank Limited and Banque Internationale a Luxembourg by end of December 1989.

HAMBROS BANK LIMITED

### AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

Registration No. 01/02154/06

NOTICE TO HOLDERS OF SIX PER CENT CUMULATIVE PREFERENCE STOCK WARRANTS TO BEARER PAYMENT OF COUPON NO. 84

CLOSURE OF LONDON OFFICE, PARIS PAYING AGENCY FACILITIES AND TERMINATION OF LISTING OF SIX PER CENT CUMULATIVE PREFERENCE STOCK UNITS ON THE INTERNATIONAL STOCK EXCHANGE IN LONDON

The International Stock Exchange in London has agreed to terminate the listing of the Company's preference stock units on that Exchange with effect from Friday, March 30 1990.

The United Kingdom registrar continues less than 1.5 per cent of the total issued preference stock units of the Company. In view of that, limited number of stock units and the very few trading transactions which have taken place over recent years, the Board of Directors is of the opinion that the registrar's involvement in maintaining the London listing, a London office and the United Kingdom registrar of companies is no longer warranted.

Accordingly, in terms of Article 133 of the Articles of Association of the Company, the London Office will close with effect from March 30 1990 and the listing of the Company's preference stock units on the International Stock Exchange in London will terminate from that date.

All the listed preference stock units of the Company are and will continue to be listed and dealt in on the Johannesburg Stock Exchange. After March 30 1990 it may also be possible to deal in the preference stock units on the International Stock Exchange in London in accordance with Rule 535.4 of the Exchange.

In addition, the coupon paying arrangements with Conti de Nord, Paris will cease with effect from March 30, 1990. However, coupons detached from the Company's preference stock warrants to bearer may continue to be presented for payment at, or post, the payment to:

Securities Department  
Hill Samuel Bank Limited  
45 Beach Street  
London EC2P 2LX  
Tel: (01) 638-1774

Holders of preference stock warrants to bearer are reminded that in terms of the conditions relating to the stock units dividends are payable each year on February 15 and August 15 against surrender of the relevant coupon detached from stock warrants to bearer.

The number of stock units represented by stock warrants to bearer is insignificant (0.1 per cent) in relation to the total issued preference stock units of the Company. Accordingly the Board of Directors has also decided that to continue advertising notices for the guidance of preference stock warrant holders to bearer regarding the payment of coupons are no longer justified and consequently no such advertisements will be made following the notice advertised in respect of coupon No. 84. Therefore bearer holders are advised that in order for future payments to be arranged, coupons should be posted to be lodged with Hill Samuel Bank Limited only at the above address so that they are received at least four clear days prior to the respective payment dates of February 15 and August 15 in each year. Coupons may be presented any weekday (Saturday excepted) between the hours of 10 a.m. and 3 p.m. Coupons or other documents sent by post are sent at the owner's risk and consequently the use of registered post is recommended. Dividends will continue to be paid in Sterling currency.

Dividends paid against coupons surrendered after March 30 1990 will be paid by cheque in Sterling currency (unless the place of residence of the holder or the issuer of the coupon is a non-resident state to which dividends are payable before February 15 1990).

In terms of the Republic of South Africa Income Tax Act, 1962, as amended, non-resident shareholders' tax will be deducted by the Company from all dividends payable to persons surrendering a coupon detached from a stock warrant to bearer. The effective rate of non-resident shareholders' tax is currently 15 per cent.

United Kingdom income tax will be deducted from dividend payments relating to coupons lodged with Hill Samuel Bank Limited unless such coupons are accompanied by valid exemption certificates and/or declaration forms, or where coupons are sent by post from a person resident outside the United Kingdom and payment is made to that person, or is accompanied with instructions, to an address outside the United Kingdom. Under the provisions of the double taxation agreement between the United Kingdom and the Republic of South Africa, South African non-resident shareholders' tax payable in respect of dividends will, however, remain allowable as a credit against any United Kingdom income tax payable in respect of such dividends as any United Kingdom income tax deducted from dividend payments will be calculated to reflect that arrangement or any amendments thereto.

Holders of stock warrants to bearer wishing to recover their warrants to registered stock units may do so by lodging them with Hill Samuel Bank Limited, together with all outstanding coupons and talons, and a completed re-conversion form available from that bank.

After March 30 1990 all correspondence relating to the preference stock warrants to bearer, other than notices relating to dividend payments and re-conversion of the warrants, should be directed to the Company's Trust Secretaries in the Republic of South Africa:

Consolidated Share Registrars Limited  
Flora, Eden  
40 Cecilscourt Street  
Johannesburg 2001  
(P.O. Box 6101, Matieland 2107)

or to the Head Office of the Company at the address shown below.

By order of the Board  
For and on behalf of  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED  
London Secretaries  
J. C. GREENSMITH

London Office:  
40 Holborn Viaduct  
London EC1P 1AJ

### LEGAL NOTICES

#### NOTICE OF CREDITORS'

MEETING UNDER SECTION 48(2) OF THE INSOLVENCY ACT 1986

Registered in England and Wales  
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#### STAKEPLUS PLASTICS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 48(2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above named company will be held at the offices of Kay, Abacus Court, 8 Minshull Street, Manchester, M1 2ED on 29 November 1989 at 11.30 am for the purpose of having laid before it a copy of the report prepared by the administrators receivers under Section 48 of the said Act. The meeting may, if it thinks fit, establish a committee to exercise the functions conferred on creditors' committees by or under the Act.

Creditors are only entitled to vote if:

- (a) they have delivered to us at the address shown above, no later than noon on 27 November 1989, written notice of the debts they claim to be due to them from the company, and the claim has been duly admitted under the provisions of Rule 3.11 of the Insolvency Rules 1986, and
- (b) there has been lodged with us any proxy which the creditor intends to be used on his or her behalf.

Please note that the original proxy signed by or on behalf of the creditor must be lodged at the address mentioned; photocopies (including faxed copies) are not acceptable.

Date: 14 November 1989

CYRIL W. WHELD  
Joint Administrative Receiver

### DEFENCE

The Financial Times proposes to publish this survey on:

6th December 1989

For a full editorial synopsis and advertisement details, please contact:

Ian Ely-Corbett  
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or write to him at:

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THE PROPERTY MARKET

# No concessions to Leeds tenants

By Paul Cheeseright

Leeds knows about the gloom in London. But London, increasingly introspective with worries about the City, the securities industry and the stock market does not necessarily know that property people in Leeds are rather chirpy. It is not that Leeds is laughing. Rather it is that the supply and demand situation in Leeds has not yet reached the point where there is an obvious short term over-supply of office or industrial space. The Leeds market is at a different place in its cycle from that of, say, the City of London.

There is some statistical evidence to support this, but for the most part, perceptions of the market come from anecdotal evidence and a synthesis of impressions.

On the statistical side, dealing with that tight office market, beside the shopping and civic areas, hemmed in between the motorway network and the River Aire, there is the simple fact that only about 130,000 square feet of new space will become available in 1990.

Bernard Thorpe, chartered surveyors, has calculated that of about 450,000 square feet of space to be completed in 1990, over 300,000 square feet has been pre-let or committed. Further, on the Thorpe figures, the level of space take-up has risen since the mid-1980s

from 200,000 square feet to 350,000 square feet a year. Historically, "rents continue on an upward path when we have no more than two to two and one half years stock," said Ian Barraclough of Thorpe. Any company looking for 50,000 square feet of new or nearly new space for immediate occupation would find itself in difficulties. It is true that there are developments running through the town centre pipeline. MEPC, for example, this week disclosed plans for a 70,000 square foot redevelopment to be available in 1991. And there are a number of smaller schemes. But the figures suggest a squeeze.

Here the situation becomes tricky because it is not yet clear what effect the Government's restraint measures will have on the local economy. In Leeds, there is a belief that the upward trend on the market still has some way to run, but that the main growth for this cycle has already taken place.

Office rents have jumped to over £16 from £8.50 a square foot for the prime properties. There is agents' talk of £20, but even if that figure is reached in isolated transactions, the big jump has already taken place.

That assumes steady rather than pressing demand. But the assumption is reasonable. Leeds trumpets its virtues as a financial centre, but, Mr Barraclough observed, "insurance companies seem to be reserving judgment on moving and increasing expenditure. Banks have been cautious for 18 months. It's really been the professional sector which has been taking the large chunk of space."

If the prospects of future rental growth are limited, then there is less

incentive for institutional investment and there is some evidence that prime office yields, which have been holding in the 6.25 to 6.50 per cent range have started to soften.

Slowing growth, however, is consistent with the general performance of the industry as it comes through in the measurements of the Investment Property Databank, the subject of the accompanying article.

And slowing growth is a natural consequence of higher interest rates. "The cost of money exceeds the growth of property values," noted Edward Ziff, a director of the Ziff family-controlled Town Centre Securities, the Leeds-based property investment company.

**There is abundant evidence of the speed with which a market like Leeds can tilt to over-supply**

The concomitant is that the Leeds property market is much quieter. The mood is more cautious. "It has gone back to being a place for the professionals," said Mr Ziff. "Eighteen months ago you could buy on a Monday and sell on a Tuesday. Now you don't buy on a Monday, so there's nothing to sell on Tuesday. And there are no buyers anyway."

Here then is a picture of the market which is firm but from which the hysteria has departed. Firm because there is no evidence of property owners having to entice tenants to take space. Not even in the suburban industrial sector,

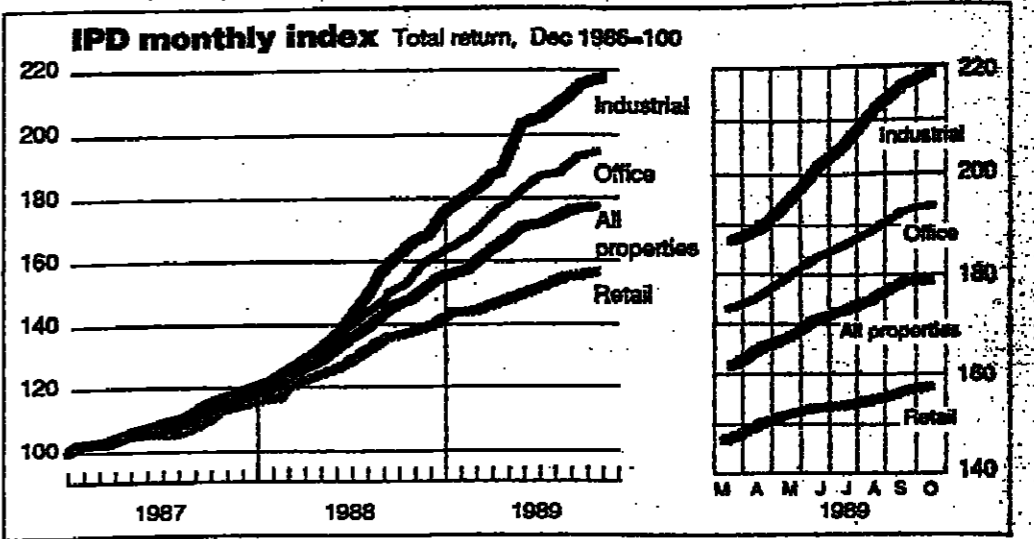
probably the first likely to feel chill economic winds.

"We offer no concessions to the tenant" said Mel Burrell, chief executive of the Leeds City Development Company, set up by the City Council to undertake ventures with the private sector and now, it claims, the most active developer around the city. "Leeds has a demand cycle. It's now on the up. It's got two years to run," he said.

But the experience of the past gives abundant evidence of the speed with which a market like Leeds can tilt to over-supply. And there are enough plans and projects in the office sector to ensure just that, should they all go ahead.

Town Centre Securities, Postel and Mounthead all have schemes on the western side of the city. NCF Properties has one on the south side and, closer in, so does a consortium of Leeds City Development, NCF and Yorkshire Rider as the landowners and Rosehaugh as the developer. There is the potential in these schemes for 3m square feet of new space, all in areas which hitherto have been outside the main Leeds commercial district, all of which can be pulled together under the label of urban regeneration.

Yet it is a measure of the cautious tone of the market that even if all the projects received planning consent, none of them would go ahead on more than a limited scale without a pre-let or a pre-sale. Speculative building will be strictly limited. The memories of 1982, when there was 1m square feet of office space hanging over the market, are still fresh.



## Lowest figures of the year

RETURNS from property investment are drifting. There is still growth in the market, but, for October, the Investment Property Databank reports, all the measures are showing the lowest figures of the year. For the year to October, total returns for all properties were 20.9 per cent, compared with 31.3 per cent for the year to October 1988. The figures make emphatic a trend which has emerged since the beginning of the year: a very cyclical industry is turning down. "On a geographical basis, all parts of the country are showing a similar trend. Over the

last year a total return of 20.7 per cent has been recorded for London properties, 21.2 per cent for the south east and 20.6 per cent for the rest of the UK," IPD said. Yields are fairly stable. The falling level of returns, IPD said, is largely because a reduced rate of rental growth is feeding through to falling rates of capital growth. The industrial sector has again been the highest performer. In October, the sector was showing a total return of 1.3 per cent, half the level recorded in September. Returns were higher outside the south east.

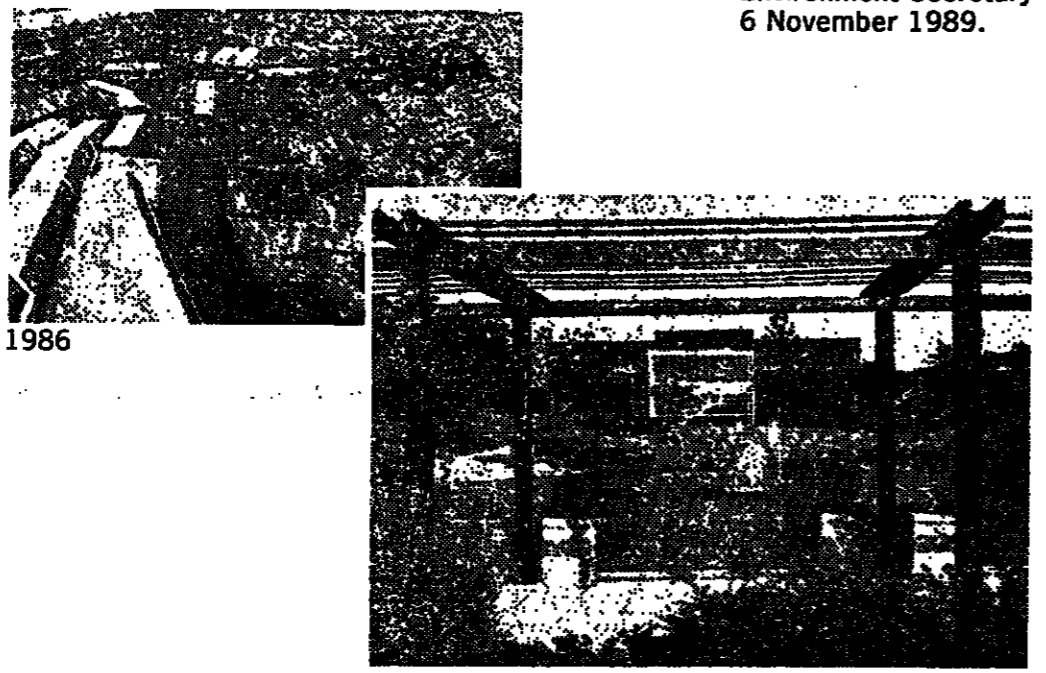
In the offices sector too, the strongest growth was evident in the regions. But overall returns in October were at the lowest for the year, down to 1.6 per cent from 1.7 per cent in September.

The retail sector continues to be the lowest performer. No capital growth was recorded in October and total returns for the month were 0.4 per cent. IPD noted "evidence that yields are moving out quite sharply." Regionally, the retail sector is the reverse of offices and industrial: best performance has been in London.

Paul Cheeseright

*"The environment is not something that can be plundered at will"*

Chris Patten  
Environment Secretary  
6 November 1989.



*"We agree."*

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**LEGAL NOTICES**

NOTICE OF CREDITORS' MEETING UNDER SECTION 48(2) OF THE INSOLVENCY ACT 1986

Registered in England and Wales

Company No: 2171152

UNITED PLASTICS (UK) LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 48(2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above named company will be held at the offices of Cork, Gully, Adams Court, 6 Minster Street, Manchester, M1 3ED on 28 November 1989 at 11.30 am for the purpose of having held before it a copy of the report prepared by the administrative receiver under Section 48 of the said Act. The meeting, if it thinks fit, shall elect a committee to supervise the liquidator and the creditors' committee by or under the Act.

Creditors are only entitled to vote if:

(a) they have delivered to us at the address shown above, no later than noon on 22 November 1989, written details of the debts they claim to be due to them from the company, and the claim has been duly admitted under the provisions of Rule 5.11 of the Insolvency Rules 1986; and

(b) there has been lodged with us any proxy which the creditor intends to be used on his or her behalf.

Please note that the original proxy signed by or on behalf of the creditor must be lodged at the address mentioned; photocopies (including faxed copies) are not acceptable.

Date 14 November 1989

CYRIL W NIELD

Joint Administrative Receiver

No. 006853 of 1989

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

IN THE MATTER OF CITY AND WESTMINSTER GROUP PLC (formerly A & M Group PLC) and IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 1st November 1989 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named company from £10,108,701.74 to £4,000,000.

AND NOTICE IS FURTHER GIVEN that the said Petition is to be heard before the Honourable Mr. Justice Harman at the Royal Courts of Justice, Strand, London WC2A 9LL on Monday 4th day of December 1989.

ANY creditor or shareholder of the said company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requesting the same by the undersigned solicitors on payment of the regulated charge for the same.

Dated the 24th day of November 1989.

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ARTS

Canaletto goes West

Giles Waterfield reviews the exhibition at the Metropolitan Museum of Art, New York

Instantly recognised images in England, Canaletto's paintings are much less well known elsewhere. Up to this decade only one of his paintings could be seen in his native city; his work is little represented in Continental museums; and the same applied in the US. In recent years American museums have taken an increasing interest in acquiring his work...

One of the principal aims of the major exhibition of 85 paintings and 42 drawings at the Metropolitan Museum from November 2, 1989 to January 21, 1990 is to mend this situation and to introduce an artist who has long exerted such a powerful appeal in the British Isles to a larger audience in America. This is intended as a comprehensive exhibition, broader in scope than the memorable shows at the Queen's Gallery in 1980-81 and at the Fondazione Giorgio Cini in 1982. It has been organised by J.G. Links, the foremost authority on the artist, and Katharine Baetjer, of the Metropolitan, who have collaborated on the catalogue. The vital and generous loans from the Royal Collection are supplemented by numerous paintings lent from the British houses, notably Chatsworth, Goodwood, Holkham and Woburn, in which they have hung since the 18th century.

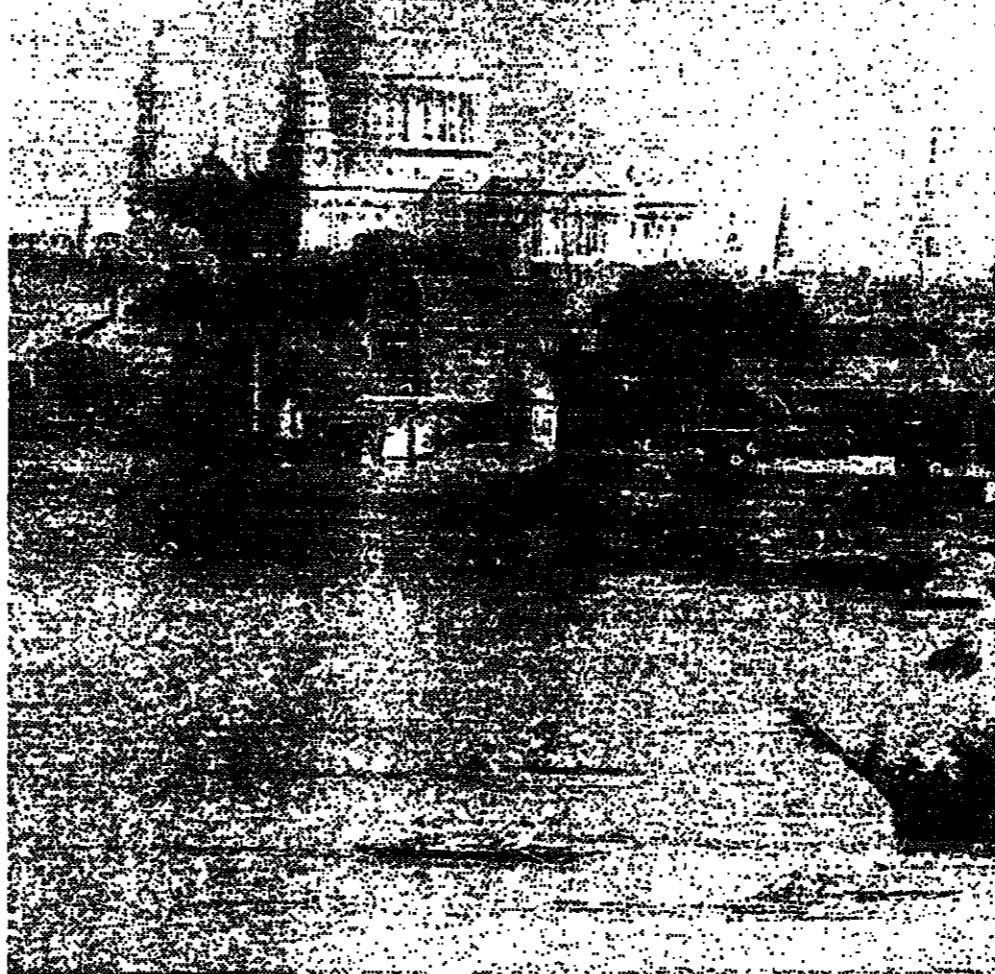
Paintings which will be unfamiliar to a British audience include the outstanding early views of Venice, acquired by the Elector of Saxony in the middle of the 18th century. "S. Cristoforo, S. Michele and Murano" from the Dallas Museum of Art is the original of a work

in the Royal Collection that has for some time been regarded as a secondary version; the original was only recently rediscovered. One or two loans are disappointing - not all the structures shown here from American collections, for example, reach the highest standard, and the works from Woburn give little impression of the splendour of the Dining Room - but the general impression is spectacular.

The visual effect is enhanced by the bold colour schemes developed in his introduction, Links remarks that in his early years Canaletto painted capriccios in the style of the Ricci and that various works have been attributed to him, but that no attributions are firm and so little opportunity has existed to study these pictures, which are all privately owned and are not included in the exhibition. This is surely a pity: exhibitions of this sort uniquely offer the opportunity to reassess an artist's work and to decide whether his canon should be extended.

There is little else to regret here. Lenders have been extremely generous: familiar paintings such as the views of Warwick Castle are contrasted with less known works such as the bold, moonlit view of a "Night Festival at S. Pietro di Castello" (Berlin). Rare opportunities emerge such as the magnificent view of the Venetian lagoon, of the surviving copper plates executed for the entrepreneur Owen McSwiney, in 1727, in which the artist produced the smiling views of Venice that were to secure him so faithful a public in England.

The views of British subjects, an especially fine selection, reveal again his versatility and his ability to respond to new environments: the Goodwood painting "Whitehall and the Privy Garden" dazzles with



Canaletto's 'Thames and the City of London from Richmond House'

its humorous and minute depiction of the midlands and informality of the central figures in Britain in the 1740s. The range of drawings is particularly stimulating, illustrating the range of Canaletto's achievement from dry diagrammatic sketches, made for purposes of information, to

finished ink and wash drawings which look forward to the full development of watercolour. Four hundred pages long, the catalogue is richly illustrated in colour, with extended entries on each painting. It is perhaps regrettable that full

provenances are not given; and a section of frames and the artist's attitude to them would have been interesting. The exhibition, which deserves a journey to New York, is sponsored, appropriately enough, by Louis Vuitton, makers of travel goods.

Haydn series

QUEEN ELIZABETH HALL

The series devoted to Haydn's choral works is now in its last stages. As it has progressed, there has been no falling off in delight at the fecund imagination that the composer lavished on these products of his later years, though the concert on Tuesday was slower to find the same bubbling enthusiasm for it that had distinguished the opening events in the series.

The first half of this programme found the Orchestra of the Age of Enlightenment under Stigswald Kujiiken at less than its concentrated best. Haydn's "London" Symphony, No 104 in D, made an indecisive start and only came to life in the last two movements, which at the speed Kujiiken took them it could hardly fail to do. This was the first time in a concert that I have heard a classical minuet race along at the sort of pace proposed as authentic by some academics.

The other two pieces in the concert were both choral. The evening had begun with a short piece by Purcell, a setting of a poem by Peter Pindar. At its performance in Hanover Square in 1792 the piece delighted its audience with its imitation of a hurricane and

the calm after the storm; but to listeners today it is more likely to seem a tentative trial run for the brilliant nature scene-painting of the late oratorios.

For the *Harmoniemesse* of 1802, however, no apologies have to be made. Although this has never been one of the most popular among the composer's masses, it has its fair share of Haydn surprises, from the folk-like yodel of the "Hosanna" to an "Et resurrexit" that proclaims its joyous news remarkably in a minor key. By this point the style of the music-making had also sharpened noticeably, with Kujiiken obtaining some keen singing from the Choir of the Enlightenment.

The solo quartet included Nancy Argenta in a lovely pure line in the "Domine Deus", Eirian James, Wynford Evans and Peter Rose, the imposing bass, who operated on quite another vocal scale from his colleagues. They and the chorus made a delightful effect in the "Benedictus" - could this movement, a scampering and jocular piece of fun, possibly belong in a religious work by any composer but Haydn?

Richard Fairman

Purcell & Blow

ST JOHN'S SMITH SQUARE & RADIO 3

Wednesday was St Cecilia's Day. The New London Consort - director Philip Pickett, soloists Catherine Bott, Tessa Bonner, Christopher Robson, Andrew King, and Michael George - chose three celebratory odes by Purcell (the first half) and one by John Blow (in the second) in which to frame praises of music's patron saint. The Purcell selection did not include the most famous of his Cecilia odes, "Hail, bright Cecilia"; but on a less splendid and exalted level the choice of the earlier "Welcome to all the pleasures" (in spite of Fishburn's horribly banal verses), the Latin "Laudate Ceciliam," and "Raise, raise the voice" must still have provided pleasure for every ear.

Purcellians are well-versed in those heart-lifting moments when inspired word-setting, immediately hummable melodic statement, and perfectly apt union of voice and instrument combine. All three works, simple in form and modest in outlay of forces, were full of such moments - the final stanza of "Welcome all the pleasures," as the prevailing minor key gives way to

the major and the rhythms take on an infectious bounce, offered perhaps the happiest example.

All the same, the concert was a good deal less exhilarating than it ought to have been. Mr Pickett and his single-string-plus-continuo forces seemed on this occasion to be authenticists of the most pursued kind. There was little vitality in attacking cross-accents, little sense of colour - and definitely none of the inspired boldness of dramatic projection that this of all composers in the English language requires. (The difference between his genius and the honourable talent exemplified, at rather too great a length, in Blow's "The glorious day is come" was hard to ignore.)

Of the singers only the tenor, Andrew King and, to a lesser extent, the alto, Christopher Robson (in somewhat uneven voice), made anything distinct and vivid of the words. Everything cried out for more joy, more elation, and less Puritan gloat.

Max Loppert

Sir John Soane Museum hits the jackpot

The Sir John Soane Museum, tucked away in London's Ian Fields in London and as quirky as its founder, the 18th century architect Sir John Soane, has hit the jackpot. Earlier this year it launched a £2.5m appeal to shore up its deteriorating fabric and to restore its interior to an original plan of Soane, who designed and lived in the house.

Yesterday it announced that it had secured £2m, thanks to a £1m donation, over five years, from the smallest and poorest MRPC, which has been matched by the Government, through Mr Richard Luce's

Office of Arts and Libraries. The funds will receive attention first, followed by a facade. The Soane is still seeking cash to ensure that its interior, with Sir John's eclectic collection of antiquities, paintings by Hogarth, weapons, architectural casts and drawings, can be followed by an equivalent standard.

Richard Luce has long expressed concern about the condition of London's museums. One has now been fixed, probably because it is among the smallest and poorest of a relatively modest sum.

Antony Thorncroft

SALEROOM

Stamp market still low

The stamp market has recovered some of its health after the deep depression of the early 1980s, but not enough to enable collectors to achieve its hoped for world philatelic record at Zurich on Wednesday night. It was offering a Mauritius envelope bearing not one, but two of the finest known examples of the red coloured Mauritius postage office one penny stamp of 1850.

Christie's (Robson Lowe) was hoping for over SwFr 3m, or in excess of £1m, for the item, but the bidding stopped at SwFr 2.6m. The letter had been sent to an Indian missionary and was bought in a bazaar in 1897 for 5 rupees. By 1917 it sold for £11,000 and the New Orleans dealers, the Weill Brothers, paid \$380,000 for it in 1968.

The top price in the sale was the SwFr 585,000 (£230,314) (below estimate) paid for another item from the Weill Brothers dispersal of their stock, the British Guiana 2c "Cotton reel" pair on cover. At Christie's in Edinburgh on the same evening there was an auction record price of £80,500 paid for a painting by the Scottish artist Edward Hornel, "Easter Eggs," painted in 1905, had been brought back from Uruguay for sale.

paid twice, once for a quartet of ivory recorders made by Johann Gahn in Nürnberg around 1700, and once for just one recorder to achieve its record by Hotteterre of Paris, dated to the late 17th century.

Of more interest was a spate of off-beat records, like the £2,090 paid for a piccolo, a one keyed boxwood instrument made in Paris around 1850 by Thomas Lot; or the £3,350 for a glass flute, made a few years earlier in Paris by Claude Laurent; or the £13,750 for a Baroque violin bow, pre-1788, perhaps made in Italy but with Spanish inlay; or the £27,500 for a bassoon, produced in Brussels around 1830 by the famed Mr Sax.

At Christie's in London yesterday a late 18th century North Italian olivewood and marquetry bonheur-du-jour sold for £60,500 as against a £5,000 top estimate. It was possibly made by the famed Milan cabinet maker Maggiolini. Italians were active buyers in Bonhams picture sale, paying £41,000 for a scene of peasants by the 18th century Italian artist Filippino and £48,900 for a Neapolitan scene by Pratella. In Amsterdam on Wednesday Sotheby's sold a pair of paintings of winter and summer in which Joos de Momper did the landscape and Jan Breughel the Younger the figures, for £623,065, around ten times the estimate.

Antony Thorncroft

The Triumph of Love

LYRIC STUDIO, HAMMERSMITH

Voltaire accused Marivaux of weighing butterfly's eggs in scales of cobweb. After two interval-less hours of the exquisitely honed probing of amorous awareness, the exchange of attenuated sensibilities, I reach, like an insect Goethe, for my fill-gum. At his best Marivaux touches the nerve of sexual conscience, portrays freedom as a dangerous challenge, charts emotional quicksands. But the Actors Touring Company, from Shrook's decent, thoughtful and periodically stylish production, reveals this heartless little comedy as arid and inhuman.

The ruling Princess goes in search of the rightful ruler, son of the man her father deposed. The young hero is rescued in the forest by a reclusive philosopher and his sister. Like Rosalind, the Princess assumes male disguise. Unlike Rosalind, being au fond French, she uses sex like anything, woe the spinster sister as a man and infatuates the sage as a woman.

The most touching scene comes when the ascetic siblings shy and in breathless delight confide to each other that there might be some point in sociability and human relationships after all, unaware that the same person has

inspired them both.

The Princess also conquers the innocent youth. They sit and compare their hearts, Maria without touching they are French but they are also products of the Enlightenment. Misunderstandings and presumably heartbreak ends in the 18th century equivalent of a declaration of "tough luck".

One tries of the exhaustingly unrelenting Princess not caring who she hurts after about an hour - ironically, since here she is beautifully played by Beatrice Comins, an actress with a touch of the young Francesca Annis to her. With David Beattie as the handsome, well-judged maid and Diana Berri-man's sweet and moving spinster, the distaff side is remarkably strong. Jonathan Nerydd's Arlequin mops and mows, prances and ogles, in a bad old version of commedia schiacciata; David Hobbs' savant is a dull stick. Stephen Mapes' princeling shows promise.

Lez Brotherton's set combines the archaic with the modern (pillars topped with plant-pots plus angle-poise lamps) and the suggestion of unrelenting power in a way that recalls the immortal English National Opera Xerxes.

Martin Hoyle

Maria Stuarda

BERGAMO ITALY

After the British premiere of *Maria Stuarda*, in 1971, I described the opera in these pages as one of Donizetti's strongest and most gripping. Others evidently agreed, and *Stuarda* soon vied with *Anna Bolena* as the Donizetti tragedy, after Lucia, most often performed. Evidently Sills sang it in New York, Janet Baker sang it in London, Cabellé sang it in seven cities and Sutherland in eleven. There were many occasions to reconsider that first excited response. I decided I had been too enthusiastic, and that only the final scenes sustained Donizetti's highest level.

So, however, with an intensity that made one forget the less exalted music earlier. *Maria Stuarda* has now become the first Donizetti opera to be accorded a "critical edition," and recently had its premiere in Bergamo, the composer's birthplace. Since 1966, Bergamo has presented a Donizetti opera annually (*Parisina*, *Sancia di Castiglia*, *Il diavolo universale*, and *Faustina* among them) and since 1984 has been presenting two, three, or four in an autumn Donizetti Festival. *Stuarda* inaugurated a ten-year plan, drawn up by the Bergamo Comune and Ricordi, for five critical-edition productions. It was a good work to start with: the texts of *Dom Sébastien* and *La Favorite* may be in a worse muddle, but that of *Stuarda* needed clarification.

Donizetti composed the opera for Naples, in 1824. It reached dress rehearsal and was then banned by royal decree. Surprising that it got even that far: Ferdinand II and Maria Cristina, both descended from Mary Stuart, could hardly be expected to enjoy watching an onstage ancestor call another monarch "obscene harlot" and "wretched bastard," and later confess to complicity in her second husband's murder. The opera was revamped as *Buondelmondo*, set in medieval Florence; Donizetti

composed new choruses and a new duet for the Elizabeth and Leicester court-parts.

The next year he revised *Maria Stuarda* for La Scala and Malibran, amplifying it with an overture and the *Buondelmondo* duet. Later he advised dropping the "intrusive, ineffective" duet. In 1855, Naples produced *Stuarda* at last, in a posthumous amalgam of earlier versions and with heavier orchestration. Modern attempts to recover the original have been hampered by lack of autograph, which was presumed lost.

In fact, it passed through Sobety's in 1924 and - available to but overlooked by scholars - reached the Foundation for the Furtherment of Musical Culture, in Stockholm. The present curator, Anders Wiklund, working with Roger Barker and Gabriele Dotto, has prepared the Ricordi edition. Different music (but familiar from *La Favorite*) opens and closes the first act. The scoring is lighter and brighter. The biggest change is the restoration of the original two-act structure. Act I now sweeps from Elizabeth scenes to Mary scenes to the climax in the famous confrontation of the two queens. The opera becomes stronger and more shapely. It would have been even more so in Bergamo had the "intrusive" duet been dropped.

I arrived in Bergamo to find on the portals of the Teatro Donizetti an announcement that the *prima* had been postponed. And the billed Mary and Elizabeth, Maria Chiara and Martine Dupuy, had both pulled out. But in place of the *prima* there was the *prova generale*. Given as a full performance, to a full house and I was invited to attend. Fernanda Costa was an accomplished young heroine; clean, steady, and fluent, able to float delicately, gently notes if reader to maintain

forté. She did not strain. But the Bergamo mask scholars should have squelched the whistling and unstylish *acuti* up to high D, which she spoiled the end of each number.

Maria Luisa Nave, the Elizabeth, singing through pharyngitis, paced herself carefully and had considerable presence. Pietro Gallo, the Leicester, simply sang, not badly, but with little regard for others onstage, the drama, or the beat. Aldo Ceccato conducted the RAI Milan Orchestra with verve. Giovanni Agostinucci's scene were handsome, with richly detailed Elizabeth costumes (by Andrea Viotti) in black, varied by dove-grey for the Fotheringly hunt and by the red of Elizabeth's wig, a hanging in her chambers, and Mary's shift at the scaffold.

Gabriele Lavia's production was a compound of well-judged, musically sensitive formality and silliness. Stuarda, the 17-year-old librettist of *Stuarda*, asked his heroine to enter "running"; he evidently wanted to show her impetuous nature from the start. During the prelude to the entrance aria, Miss Costa, hitching up her ample farthingale, trotted briskly across the stage from wing to wing, thrice with ludicrous effect. But she flung the "vill bestarda" passage at her rival with royal, noble passion (for once it lived up to its reputation), and in the great sequence of confession duet, *preghiera* (Mary's voice radiant above the chorus) and aria-finale she was moving, Judith Blegen and takes on a transfigured, spiritual quality. Perhaps one day a *Stuarda* producer will have the sense not to add chippy-chippy-chop to the final bar.

Andrew Porter

ARTS GUIDE

OPERA AND BALLET

**London**  
Royal Opera, Covent Garden. The Royal Opera tries again with *Anna Bolena*, a particularly strong cast led by Leona Mitchell, Giacomo Aragall, Inger Wilk, with conductor Leonard Slatkin. *Tristano and Isotta* and Wolfgang Fasler excellent as leads. Also offered *Zar und Zimmermann* and *Eugen Onegin*.

**Berlin**  
Opera. *Aida* in Götz Friedrich's production features Bruna Bagnoli, Wilhelmina Fernandez, Michael Sylvester and Ingrid Weitzel. *Das Gezeichnete* has a new cast led by David Hampson making his debut in the title role, Daniela Beckley, Julia Varrady, Pilar Lorengar and Manfred Roselt. *Fidelio* in Jean-Pierre Ponnelle's production will be conducted by Heinrich Hollreiser with Sabine Haas, Carol Malone, George Gray and Viktor von Haem.

**Hamburg**  
Opera. *Homage to a Joss Limon*

and Stravinsky is performed by the Paris Opera stars and ballet corps accompanied by the Paris Opera Orchestra conducted by Michel Tichonnik (#7425371).

**Vienna**  
Staatsoper. Smetana's *Die verkaufte Braut* is conducted by Peter Schuster. *Le Juif*, with a cast including Joanna Borowkowska and Alfred Sramek. *Le Nozze di Figaro* is conducted by Peter Schuster, and the cast includes Lucia Popp and Peter Wimmerger, Boris Gudakov, conducted by Wolfram Neumann. It is sung by Renzo Bruscia, Franz Kasemann, and Heinz Holeczek. Donizetti's *Maria Stuarda* is conducted by Ion Marin with a cast including Agnes Baltsa, Maria Zampieri and Alexander Malj. Volkoper. The week's performances comprise *Die Zauberkraft*, *Eine Nacht in Venedig*, *Don Giovanni*, *Die Fledermaus*, *Die zwei Kätzchen*, *Das Jan Tzschirner* and *Der Zigeunerbaron*.

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**Hamburg**  
Opera. *Homage to a Joss Limon*

with three ballets *The Drowning of The Exiles*, *The Moor's Progress*. *Tosca* has a particularly strong cast led by Leona Mitchell, Giacomo Aragall, Inger Wilk, with conductor Leonard Slatkin. *Tristano und Isotta* and Wolfgang Fasler excellent as leads. Also offered *Zar und Zimmermann* and *Eugen Onegin*.

**Berlin**  
Opera. The successful Marco Arturo Marelli *Madama Butterfly* production returns with Yoko Watanabe, brilliant in the title role, Chieko Shirasaka, Lando Bartolotti, Richard Cowan and James Wood. *Der Nussknacker* has wonderful Yuri Vamos choreography.

**Frankfurt**  
Opera. The first ballet premiere with choreography by William Furey, Susan Marshall and Amanda Miller. *Rosalka* returns with Clarry Bartha in the title role, Gail Gilmore, June Card and Allan Glassman. *Il Barbiere di Siviglia* rounds off the week.

**Munich**  
Opera. The very successful Ring cycle production by Nicolaus Lehnhoff returns with *Götterdämmerung* and stars Hildegard Behrens, Lisbeth Saltelev, Waltraut Meier, Rene Kolfo and Matti Salminen. *La Bohème* is sung by Gabriele Benackova-Cap Julia Conwell, Wolfgang Brendel and Francesco Cerrito. *Arlecchino* and *Francesco* (1870-8) Ariegna. *Teichgraber's Die Jungfrau von Orléans*, produced by Harry Kupfer features Waltraud Meier,

Julia Conwell, Alejandro Ramirez, John Broccheler and Theo Adan.

**Barcelona**  
Gran Teatre del Liceu. *Adriano Lecocquer*, co-produced by the Teatro Alla Scala and Teatro Comunale, features Mirella Freni and Placido Domingo, Romano Gandolfi conducts (315 91 22).

**Rome**  
Teatro dell'Opera. Roggiero Ramondi sings the title role in a new production of Verdi's *Falstaff* by Beni Montresori, conducted by Evelino Pido (Tues) (48.17.55).

**Florence**  
Teatro Comunale. Ermanno Olmi's production of Janacek's *Katja Kabanova* sung in Czech with Italian subtitles and conducted by Christian Theilmann. Ashley Putman sings the title role, and the cast includes Stelha Mineva, Dimitar Petkov, Jan Binkov and Barry Busse (Tues, Thur) (2779236).

**Turin**  
Teatro Regio. Verdi's *Episodio* conducted by Maurizio Arena with Luciana Serra, John Rawnsley and Rita Susovsky (Sun, Thur) (8815241).

**Bologna**  
Teatro Comunale. Season opens with Werner Herzog's production of Verdi's *Giocanna d'Arca*, with an excellent cast: Susan Dunn as Joan, Renato Bruson as Giacomo, and Vincenzo La Scala as Charles VII, conducted by Ric-

November 24-30

cardo Chailly. (Sun, Wed) (528999).

**New York**  
Metropolitan Opera. *Les Contes d'Hoffmann* continues, conducted by Sylvain Cambreling in Otto Schenk's production with Ruth Weising, Judith Blegen and Luis Lima. Johanna Meier as the Empress and Janis Martin as the Dyer's Wife join the cast of *Die Frau ohne Schatten* in Nathaniel Merrill's production, conducted by Christof Perick. Leona Mitchell takes the title role in *Aida* with Dolores Zajack as Amneris and Sherrill Milnes as Amonasso in Sonia Prissell's production conducted by Christian Balda. Lincoln Center Opera House (362 9000).

New York City Ballet. Mixed performances including *Square Dance* and *Vienna Waltzes* continue before the start on Thursday of a month of *The Nutcracker*. New York State Theatre, Lincoln Center (670 5570). Joffrey Ballet. The Joffrey version of *The Nutcracker* plays for a week at City Center, 55th east of Seventh Av. Ends Dec 3 (681 7907).

**Chicago**  
Lyric Opera. Frederica von Stade sings Rosina with Frank Lopardo as Count Almaviva and Thomas Rayney as Figaro in Roberto De Simon's production of *The Barber of Seville*, conducted by Alessandro Pinzauti. Kiri Te Kanawa continues as Elisabeth, Tatiana Troyanos is Eboli and Samuel Ramey is Philip II in Sonia Prissell's production of *Don Carlo*, conducted by James Conlon. Lyric Opera (332 2244).

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Friday November 24 1989

## Keeping Gatt on track

THERE IS a message from last week's meeting of trade ministers in Tokyo. It is that the Uruguay Round of multilateral trade negotiations will if it is to produce a substantive result to the time of its scheduled completion, a year from now.

Not only did the meeting fail to make progress on the divisive issue of farm reform, it concluded with only vague promises of an eventual agreement on cutting tariffs. This is the staple business of the General Agreement on Tariffs and Trade and should be one of the simplest items on the agenda. There are times in any international trade negotiation, especially one as complex and ambitious as the Uruguay Round, when it is necessary to guard against false defeatism. Now is perhaps such a moment, as the Round moves from three years of conceptual discussion to the daunting business of practical hard bargaining.

It would be wrong, however, to dismiss current doubts as simply a manifestation of this psychological syndrome.

Europe's new obsession with events to the East has created a dangerous distraction. Such political energy as it is prepared to devote to the Uruguay Round could easily be dissipated as attention turns to other, seemingly more urgent, matters.

This would be a serious mistake. A minimum respect for the Uruguay Round would almost certainly spell the end of the multilateral trading system on which the postwar prosperity of the West has depended. Its future cannot be left to technical discussions by functionaries. Politicians must ensure that they are, and remain, actively involved.

### Agriculture

Though agriculture remains the outstanding political issue of the Uruguay Round, there are few agendas items which do not involve participants in conscious political choice. Even the US position on tariffs reflects pressure to protect its textile industry behind exceptionally high duties.

The theoretical gains from a successful Uruguay Round are more than just agricultural reform in Europe. They include

## Alas, poor Lebanon

WHENEVER LEBANON seems to be beginning to drag itself out of the abyss, some new act of violence arrives on cue to hurl it down an unexpected well. In 1982, after the Israeli invasion, Bashir Gemayel was elected President. He was the leader of the toughest Christian faction and had the support of the Israelis, yet Muslims at that moment were prepared to work with him, believing he had the strength to restore the independence of the state. Before he even took office he was killed by an explosion in his party headquarters. That murder was widely blamed on the Syrians who were determined to retain Lebanon under their influence and not let it become an Israeli protectorate. Yet some Lebanese argued the Israelis must be behind it, because Mr Gemayel had shown an unexpected willingness to stand up to them.

### Contradictory motives

Again this week a newly elected President has been killed in an explosion. This time it happened in Moslem West Beirut, and the victim was widely regarded as a Syrian protégé. The primary suspect, therefore, is Syria's enemy: the *de facto* ruler of the Christian enclave, General Michel Aoun. But again, he and his supporters are quick to cast suspicion back on to the Syrians themselves. Two alternative and mutually contradictory motives are suggested: either President Moawad, like Bashir Gemayel, was too close to success in reuniting Lebanon and thus depriving the Syrians of an excuse to keep their army in the country; or (a little more plausibly) he was clearly falling to unite the country under Syrian influence, and therefore of no further value alive, whereas his death could be used to discredit Gen Aoun and exacerbate divisions among the Christians.

Such theories are not convincing. Mr Moawad's death is a grave blow to what is left of Syria's credibility as the guarantor of public order in the part of Lebanon it controls, and clearly aimed at destroying a process through which Syria had come close to achieving its political aim: a recognised Lebanese state commit-

an end to unilateralism in US trade policy, symbolised ideally by repeal of the notorious Section 301 of its trade law, and a tangible commitment by Japan to reform those anti-competitive structures which militate against imports. Negotiators need to be convinced that these goals are attainable if real progress is to be made.

Participants at the Tokyo meeting report a welcome attempt by Mrs Carla Hills, US Trade Representative, to bring leadership to the Round. US leadership is one prerequisite for success and it may bring a relatively quick breakthrough in some technical areas, including tariffs.

### Unilateralism

Yet, notwithstanding this week's decision to delay action against Japanese trade barriers in the construction industry, the amount of time the US spends with its attempts to block or ignore judgments against it in the Gatt, has been lamentable. It will have to work hard to convince its trading partners that it is prepared to put its unilateralism on the table, just as Europe needs to show it means business in farm reform.

Next year's economic summit may be too late to breathe political life into the Uruguay Round. It comes only six months before the final deadline. The main players could take action now by signalling that they are not prepared to be distracted by events elsewhere and that they are ready, at the political level, to make genuine concessions. If sincere, such a commitment will be quickly reflected by the behaviour of their officials at the negotiating table.

Without such a lead, negotiators can do little more than tinker at the margins. In those circumstances, the developing countries are most unlikely to make concessions of their own in areas like services and intellectual property. An insubstantial Round followed by a drift into unilateralism and protectionism would become inevitable. Just at a time when it is crowding over the failure of communism, the West would have abandoned one of the successful Uruguay Round systems, on which its success has been built.

ted to remaining on friendly terms with it and too weak to demand the withdrawal of Syrian troops. Yet it is not clear that Gen Aoun will benefit, and he would in any case hardly be able to organise such an operation in West Beirut without Moslem complicity. Suspicion thus falls on Moslem parties which share his interest in ending the consociational system of a Lebanese state under Syrian influence: Iraq, the Palestine Liberation Organisation, and perhaps Shia Moslem extremists supported by Iran.

### Fewer illusions

Whoever it was, their real target was clearly the compromise agreed between Christian and Moslem members of parliament in Saudi Arabia last month. Yesterday the Christian moderates who backed that agreement, having Gen Aoun's wrath, reacted by rallying to its defence and preparing to elect another of their number to the ill-fated office of President. If they succeed, the international community, which had recognised Mr Moawad as the legitimately elected President and the man with the best chance of bringing peace to the country, will no doubt accord the same support to his successor, but with even fewer illusions about his chances. President Bush's offer of US help to bring these killers to justice rings all too hollow. Perhaps some technical advice on preventive security measures would be more relevant.

Suggestions for a political solution amount almost to adding insult to injury. But what should be clear by now is that Gen Aoun's crusade to "liberate" all of Lebanon from Syrian occupation has not united the country but sharpened its divisions. Widely supported within the Christian enclave, it has encountered a mixture of scepticism and outright hostility among the Moslems who make up the great majority in the Syrian-occupied area. The effort to preserve or restore some kind of Lebanese state may still be worthwhile, but realistically it can only be based on a very loose union between two or more cantons corresponding to the different confessional groups.

## Robin Pauley and Colina MacDougall say China has leapt backwards

As the iron curtain collapses in fragments, the bamboo curtain is being reinforced, any cracks in it being blocked up as fast and as firmly as possible.

Eastern European states accept that communism, as practised, is failing to fulfil both the individual and national aspirations of their people. The Chinese leadership looks the other way.

The eastern European leaders have recognised that reform of their moribund economies leads quickly to irresistible demands for intertwined reforms allowing more political and personal liberty. Initially the Chinese press kept near total silence on events in eastern Europe, a sign of their serious concern - even now the reportage is brief. None the less the Chinese leadership is still trying to pursue a liberal "open door" economic policy without any concomitant changes to political and personal freedoms.

The Peking Government put down the most recent challenge to this view with the indiscriminate use of machine guns against unarmed protesters in June. The new hardline administration in Peking ignores all the writing on all the walls from the Berlin Wall, disintegrating before our eyes, to the Chinese university walls where the odd discreet and literally death-defying protest continues to appear, rarely and briefly.

Deng Xiaoping, China's supreme leader, now 85 and in failing health, has tried to ensure a compromise between a political hard line and a small dose of economic reform, but this is unlikely to outlive him. After the June massacre and dismissal of Zhao Ziyang, the previous party leader, the Central Committee later that month elected a new Politburo Standing Committee which blended hard-liners and reformists and put Deng's pragmatist protégé, Jiang Zemin, into Zhao's post.

Then, two weeks ago, when Deng resigned from his last party job, the chairmanship of the Central Military Commission, Jiang was appointed to that post. But no-one gives much for Jiang's chance of pursuing reform, or even of survival after Deng's death. The hard-liners are simply too tough and self-interested for bureaucrats like Jiang to outmanoeuvre. A total hardline victory could provoke a political backlash and even economic disaster.

China is surely heading for radical change - or catastrophe. The certainty of one outcome or the other is underlined, as in eastern Europe, by the failure of the economy to perform consistently well enough to fulfill the raised expectations of the population which at 1.2bn (and rising) comprises a quarter of all the people on earth. "China is relapsing into Brezhnev style stagnation," said a western diplomat in Peking. "If Deng dies without solving the economic problems, there could well be riots and demonstrations and China's fissionary tendencies might end in a break-up of the country."

Beneath the propaganda veneer China today is rent by a myriad of power struggles within the Politburo and without: conservatives against reformers; the wealthy coastal provinces against the centre; liberal provincial governors against the Peking government; north versus south; economic progress versus devolution; and hard-line party conservatives and hard-line party economic reformers.

China has made a giant leap backwards. It may be temporary; it may be as destructive as others before it, notably the Cultural Revolution and the Great Leap Forward. "The economy is certain to decline under the present policies," said another Peking diplomat. "The 'open door' will be redefined in terms of maximum self-reliance."

The country has already moved well back along the road in the direction of doctrinaire socialism, even towards a kind of Maoism. There are many differences between the last years of Mao Zedong's life and 1989 - not least of which is the near-over opposition from many younger, more pragmatic moderates, to the old-



Jiang Zemin (left) receives the congratulations of Deng Xiaoping, whom he this month replaced as chairman of the Central Military Commission

## The writing is now on all the walls

make a planned visit to Australia? - has to be approved at the highest level of the State Council.

Many decisions have to be referred to the office of Li Peng, the Prime Minister. Foreign joint venture managers complain that they have been able to get no answers to crucial questions since May. "Loads of sympathy from everyone at provincial and national level, mayors, even ministers and Jiang Zemin, the Party General Secretary. But no decisions at all," says Professor Burkhard Welkenfer, the German head of Volkswagen's joint venture in Shanghai which has had to close down three times this year because of the collapsing domestic market and even now cannot get a production quota for 1990.

When the troops cut down China's student movement on the night of June 3, they did much more than shore up Deng's already discredited leadership. They took the ground from under Zhao, strengthening the hard-line party conservatives and halting 10 years of economic reform.

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guard's conservative policies. But there are uncomfortable parallels between the fading of two ageing leaders, Mao and Deng, and the rise of a powerful and extreme minority.

In Peking, the tensions of the Mao years, dissipated gradually by relaxation of control since 1976, have returned with a vengeance. The city is wrapped in an uneasy quiet, maintained by the liberal scattering of steel-helmeted soldiers with automatic weapons. TV cameras have sprouted on many lamp-posts, at key road intersections, concealed in hotel lifts and entrances, over gates, and goodness knows where else to keep guard over a sullen populace. Cars without number-plates patrol the streets.

Chinese leaders have begun to display the xenophobic resentment towards the outside world and the would-be "self-reliance" that characterised the middle 1970s. Foreigners, notably the US, which Deng attacked in his interview with former president Nixon, are blamed for helping to cause the student protests and for isolating China since.

The sanctions imposed by western countries are condemned by the conservatives as interference in China's internal affairs, and the award of the Nobel Peace Prize to the Dalai Lama, Tibet's exiled spiritual leader (an indirect condemnation of the Chinese government's use of violence in both Tibet and Peking) caused near-apoplexy.

Since June, ideology has moved back into the limelight, initially because the students were seen to be uneducated in party doctrines and thus prey to corrupting influences. Students have been taken off their studies and sent to the "grass roots"

to learn from workers and peasants. All Peking University's first year students are doing a year's military - but, significantly, not weapons - training to keep them in line and off campus. Around the country secondary school students have been marched to "learn from" the factories. For a country in dire need of better education this is, at best, ridiculous.

As worrying is the new prominence given to the party in factories and offices. A key factor in Zhao Ziyang's industrial reforms was the separation of the party from management in order to boost efficiency. But the party's management role is now to be beefed up, with economic reform subordinated to politics.

Ideology and the desire to resume control are generating new moves to boost subsidies to the inefficient state industries. The productive but erratic co-operative and private enterprises which have soaked up much surplus labour and contributed so much to the improved quality of life in recent years are closing, squeezed for credit and raw materials and pressured by tax demands.

Even in the countryside, where the dissolution of Mao's communes has brought untold benefits, the leadership is threatening to tighten control. Currently the farmer can grow almost what he likes, a system which has inspired many to move out of grain into more profitable crops and has indeed led to undesirable building on fertile land or the neglect of irrigation and drainage.

But instead of alleviating these problems by raising grain prices further or confirming the farmer's tenure to encourage him to improve the soil, the government is now experimenting with more restrictive types

of land allocation. There is a notable pilot scheme in Hebei province where land is being redistributed to families who are supposedly more efficient farmers. The dispossessed are intended to find work in local factories, but these are the enterprises currently under threat.

Even before the fall of Zhao, the Li Peng leadership was trying to apply doctrinaire solutions to the problems thrown up by the reform. The economy was overheating dangerously in 1988 with personal incomes rising twice as fast as production. As consumer demand, spending, credit and debt were all spiralling rapidly out of control, the government introduced an austerity programme last autumn, which brought the industrial growth rate crashing down from 17.7 per cent in 1988 to an expected 7 per cent this year. This made a lot of sense but its implementation showed again that there are few sophisticated levers and even fewer sophisticated lever-pullers in China.

Blunt instruments are wielded crudely and the economy staggers from Stop to Go with very little smooth travelling in between. After a year of austerity, some achievements are important: growth is slowing fast and the official inflation rate, of 18 per cent last year (the real rate was probably nearer 30 per cent) seems to have peaked at around 25 per cent in the first half of this year and, as the recessionary measures bite, is now falling rapidly. But there are also danger signs. It is investment rather than production which has taken the greatest cut; wages continue to rise as do subsidies to inefficient state operations. Efficient and export-oriented companies are squeezed tightly, starved of investment funds and credit and are, increasingly, closing. Foreign debt has mounted rapidly to \$4bn and although servicing remains manageable there is a debate under way with the conservative ministry of finance talking about new borrowings to pay off debts, a course previously rejected by China because of its calamitous effect in other countries.

Much of the bad is surviving, much of the good is being strangled. A policy review to modify restrictions where necessary is clearly needed: for example, export industries require easier credit but importers of luxury consumer goods do not. There is no sign of a more discriminating approach in spite of the fact that a crash landing into deep recession appears a real prospect for the economy next year. The recent Central Committee plenum confirmed that present economic austerity should continue for a further two years.

This would be dangerous enough. But the fact that every item of policy is so hotly disputed within the leadership, with the factions separated by ever widening ideological gulfs, makes matters worse, throwing up weak characters as a sop to both sides. Jiang Zemin, the new party General Secretary, is described by one western diplomat as "a feather duster." Li Peng, the incompetent hard-line premier, is widely hated even within the government.

The army is riven by disputes over the June massacre, particularly over the role of Yang Shanguan, the state president and newly-appointed senior Vice-Chairman of the party's key Military Affairs Commission. The Yang clan, of whom several hold top jobs in the army, is detested by the younger, more professional soldiers.

All these divisions and struggles, mainly latent until the events of June, and the hardening of the leadership since, are gnawing away at the Chinese system. As Deng retires, leaving the scene to an ill-assorted team of elderly but spry conservatives and colourless middle-aged men, China's stability looks precarious.

### PM with a difference

There are several reasons why the name of Xenophon Zolotas, the 85-year-old Prime Minister of Greece, might be known to readers of the Financial Times.

He is an internationally renowned expert on monetary policy and was governor of the Bank of Greece from 1965 to 1981, with a seven year gap during the colonel's dictatorship (1967-74). Those whose memory of the Greek military might recall that he was one of the "four wise men" who helped to found the Organisation for Economic Co-operation and Development (OECD).

Zolotas was driving home from a visit to the minister whom he will hold weekly consultations. Both the conservative leader, Constantine Mitsotakis, 71, and the former socialist prime minister, Andreas Papandreu, 70, were among his pupils when he lectured in economics at Athens University in the 1930s.

Zolotas comes from a family of Athenian goldsmiths, whose name is derived from "zloty", the Polish currency unit, which was modelled on the French gold franc. After graduating from Athens University at the age of 18, he resisted family plans for him to become an Orthodox priest, and went on to Leipzig University. His doctoral thesis, Greece at the Stage of Industrialisation, was published in 1936, the first of more than 70 books and articles.

His banking career started in 1936 when he became president of the Agricultural Bank. He joined the central bank in 1944 and was appointed Greece's representative to the IMF two years later.

After his retirement from the Governorship of the central

## OBSERVER

bank, he stayed on as an honorary governor where he works from a second floor office, disdaining the lift to climb 104 marble steps every morning. He goes swimming in the Serres Gulf most afternoons, winter included, and sings Byzantine chants on Sundays in the choir of the Church of Zoodochis Pigs in central Athens.

### True blue

On the subject of blind trusts and ministerial investments, we hear of one case where the minister chose the dullest, least adventurous stockbroker he could find and told him to put everything into blue chips. He turns out to have done very nicely.

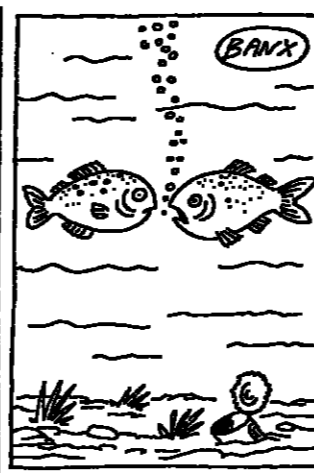
### All seasons

Robert Oakeshott is one of those single-issue people who somehow manage to make their issue fit with a succession of quite different, not to say opposing, political trends.

Oakeshott's company, Job Ownership Ltd, advises people how to set up and run co-operatives. It was set up in the 1970s when Tony Benn was in the Government and Yugoslavia was still seen as a promising model of democratic socialism, though Oakeshott's own preferred model was and still is a group of successful industrial co-operatives centred on Mondragon, in the Spanish Basque country.

In the 1980s he enlisted support from Tory ministers, arguing that employee buy-outs, being a form of people's capitalism, were really what the Thatcher Revolution was all about.

Now he is peddling them with equal vigour as the escape route for east European economies. This week he has a large group of Soviet visitors on a co-operative tour of



"If I were a tax payer, I'd be furious."

Britain, to be followed by a visit to Mondragon.

The head of the group, Dr Valery Rutgazer, a radical economist, is already closely involved in a planned buy-out at the Pischchemash Factory, a medium-sized state-owned Moscow firm which manufactures catering and related equipment. If successful, this could be a model for Soviet enterprise.

### Dental smear

The toothbrush may be on the way out. Researchers at the Hebrew University in Jerusalem will soon be offering a new product which they claim will revolutionise dental care. It is a liquid polymer, laced with a range of antiseptics which are released slowly over 24 hours. Just smear on teeth and gums, then let it get on with preventing the creation of a dental layer, blocking infection and treating over-sensitive molars.

The product has been developed by a team under Professor Michael Freedman of the

Hebrew University's pharmaceutical department. Subject to being officially licensed, it will be made and marketed by a subsidiary of Israel Chemicals.

One smear, the professor says, will provide protection for a whole day. A single application is as good as a mouth wash every couple of hours. Will it put dentists out of business? Not exactly, he claims, but you won't have to go so often.

### Free French

So many people have sent us this story that it may almost come from the car company. "Did you hear about the Renault? They're innocent."

### Young again

The moment one knew that the political career of Lord Young of Gramham was on the way down was when he sought the chairmanship of the Conservative Party as well as the post of Secretary of State for Trade and Industry which he already held. He said that the Conservative Central Office has a turnover of only £5m a year and that he could do the job half a day a week.

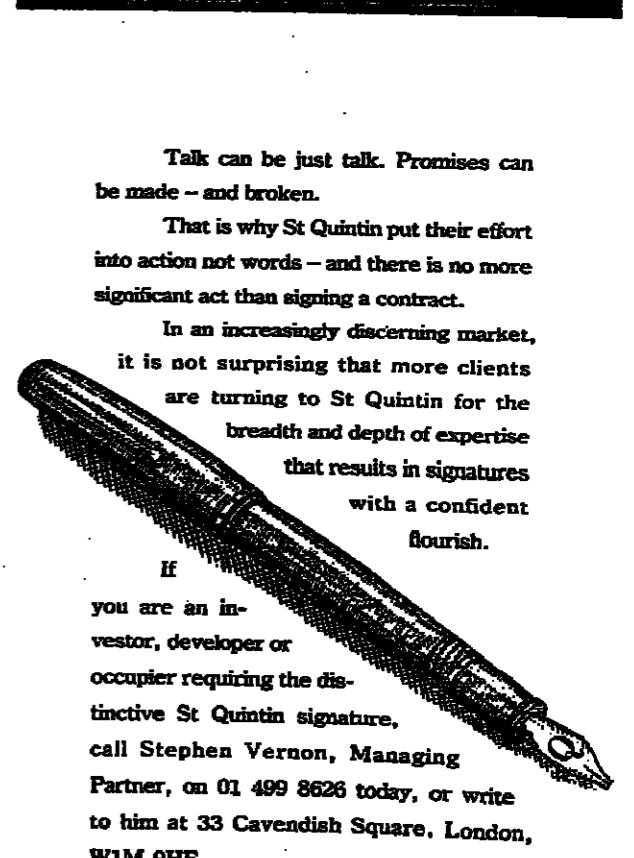
Not surprisingly, he did not get it. And, as Margaret Thatcher should have known, the practice of elevating someone to the Cabinet by giving him a peerage, without him having previously been in the House of Commons, seldom works.

One's opinion of Salomon Inc, the holding company for Salomon Brothers, does not go up on the news that it has invited Young to join its board. He has, of course, accepted.

### Diary date

A Hampshire reader reports that a circular letter from his local restaurant begins: "Dear Sir, This year Christmas Eve falls on December 24 . . ."

THE PEN IS MIGHTIER THAN THE WORD



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POLITICS TODAY

# A Teddy for distraught voters

By Joe Rogaly

I ever Mrs Margaret Thatcher looks like a sure loser of the next British general election, the Conservative Party will dump her. This is not an idle thought. Mr Neil Kinnock, who is becoming an extremely conservative leader of the Labour Party, may now move the Opposition so far ahead in the opinion polls that the Prime Minister could very well start to look like an irretrievable electoral liability, at least to the three-score or so Tory backbenchers with small majorities.

The first of these propositions is of particular interest today, since there is widespread speculation about a possible challenge to her leadership of the party. Conventional wisdom has it that any upstart will be crushed, yet since no one has been brave enough to step forward during the past 14 years, the very fact of a contest could suggest that there has been some weakening of the Prime Minister's position. Meanwhile, let us assume that for once conventional wisdom is correct and that, well before Christmas, Mrs Thatcher emerges outwardly unscathed - either because there is no leadership contest or because whoever stands against her is humiliatedly defeated.

That circumstance would not necessarily secure her position for the 2½ years still to go before another general election must by law be held. Tory elders have been saying this week that, in Lord Whitehall's words, "goosip, rumour and internal intrigue" can only damage the party. Most of them sincerely believe this - for the moment. All of them know, however, that one of the most enduring characteristics of the Conservative Party is its willingness to toggle its leadership without sentiment or ceremony, when it is politically necessary to do so. Nor would they feel obliged to wait for the annual opportunity provided by the party constitution. If the outlook seemed hopelessly bad by, say, next summer, there could be a deputation to Downing Street and a request to Mrs Thatcher to step down.

This cannot be a forecast. What happens will depend upon several factors, the most important of which will be the state of the economy. If that seems to be coming right, it will be back on course for a fourth Tory victory, most probably under the party's present leader. If not, the relative strength of the Labour Party will become a more important factor.

It is here that Mr Kinnock, seen by an increasing number of people as the emerging Stanley Baldwin or the Harold Wilson - of the 90s, comes in. The Conservatives have great difficulty in taking him seriously. He seems so shallow, they say, such a joker. In the House of Commons the Prime Minister always speaks with authority, behaviour and style, and obeys the formalities of debate. Mr Kinnock sometimes seems to do none of these things. In television appearances over the past few years he has come across as a man without gravitas, someone it is not possible to pin down in his own mind. It is Mrs Thatcher who attracts respect than affection; Mr Kinnock the reverse.

The Tories will do themselves a grave injury if they regard this as the whole story. For one thing, he will look more prime ministerial now than the House of Commons can be seen on television. There he is, a few feet away from Mrs Thatcher, questioning her twice a week. She can be a dazzler on TV, as she was on Tuesday, but he has the advantage of relative novelty. For another, we have to give him a double first in party management, since Labour has been transformed under his leadership, while the centre parties have dwindled into insignificance. For yet another, while Labour's present commanding lead in the opinion polls is in large part a function of the current high mortgage rate, Mr Kinnock has undoubtedly had something to do with it. I would categorise that "something" as the establishment of Labour as a safe, comfortable, conservative party, a new Teddy Bear for distraught voters to cling to. Think about it. Just a few years ago Labour was a house haunted by frightening left-wing demons. Mr Tony Benn was one; Mr Kinnock saw him off. Mr Ken Living-

stone was another; the party boss had the pleasure of seeing him moved to the margins of public affairs. Mr Arthur Scargill was a third; the Prime Minister herself did Labour the favour of vanquishing him, but our Neil did nothing to stop her.

The policy review, initiated by Mr Kinnock after Labour's defeat in the 1987 election and endorsed by the party conference just a few weeks ago, has taken all this a stage further. Never mind the details. The whole process, combined with a steady accretion of Kinnock power within the party, has produced a Labour leader confident enough to present himself as pragmatic, non-ideological,

## Mr Baker's wish to cost Labour's policies and pin the total on Mr Kinnock would be like trying to pin an energetic eel

of a man of common sense, someone of whom you need have no fears, an aspirant Prime Minister whose principal yardstick in office would be the question, "Does it work?" It is no coincidence that I have left out "socialist". For in conversation Mr Kinnock comes across as a street-wise politician, well aware of what repels voters and what attracts them. He has two fundamental messages to put across. The first is that next time, if there is a next time, Labour will not be a high-spending, high-taxing government. We have already been told that the ceiling on income tax will be 69 per cent, if national insurance is included. The Labour leader would like to earmark national insurance income as a direct source of National Health Service revenue, but this is not yet party policy. Except possibly for some luxuries he does not propose to increase value-added tax. As to spending, Mr Kinnock says that he can see no reason why public expenditure as a share of gross domestic product should exceed 38 per cent to 40 per cent, the level confirmed in the recent Autumn Statement by the new Chancellor of the Exchequer, Mr John Major. The possibility that defence spending might be cut to allow for increases elsewhere is ruled out as, he says, you cannot have a defence cut while the economy is in a recession. He understands that this would be a difficult line to hold in years of low growth, when GDP would shrink, but he has his let-outs. Individual items of spending that seemed likely to bring a big return could take him over the 40 per cent; public-private shared enterprises, like a training levy financed by employers, need not count as public spending. These ifs and buts are secondary to his insistence that he will tell people not to expect too much from the early years, as his new administration will have to inspect the books and see how much can prudently be spent. The Conservative Party chairman, Mr Kenneth Baker, wants to cost Labour's policies and pin the total on Mr Kinnock. It will be like trying to pin an energetic eel.

on many issues. I believe that the British polity will never be properly managed while there is an all-powerful Prime Minister and an adversarial system in parliament; Mr Kinnock argues, Englishly, that it is the individuals and their intentions that count, not the mechanism through which they exercise power. The Labour review excludes proportional representation for the House of Commons, but does not rule it out for a proposed new senate (not a Kinnock priority), regional assemblies (of which Scotland's would come at once), or elections to the European Parliament. My impression is that he might slowly and reluctantly succumb to pressure on these matters and leave it to a faraway future to decide on PR for the Commons. If the Kinnock we see today is to be trusted with the most powerful prime ministership in the democratic world, he must try harder to understand those whose doubts would be stillied by a more positive programme of constitutional reform. It would be especially ironic if the Conservatives responded to adverse polls by replacing Mrs Thatcher with Mr Michael Heseltine, for he espouses policies that could as well be spoken by the Labour leader. They differ in approach to taxation, potential social spending, and length of hair - but little else. Both are pro-European (Mr Heseltine the more overtly federal) who want high spending on training and education and government support for trade and industry. Mr Kinnock believes that Heseltine has been defeated. Within eight years, the global economic institutions - the IMF, the World Bank and the Gatt - had been established, the



the state. Stronger trade and industry departments will be there to "facilitate" their private sector clients; training and regional development schemes will be "enabling"; the Trades Union Congress will be treated in the same way as the Confederation of British Industry and neither will have the formal corporate role enjoyed in the 1960s. It is not quite so easy to talk away Labour's proposals on "restoring a fair balance between trade unions and employers", but even here the language is enigmatic. Ballots remain; arbitration will bind both sides, on penalty of law. Labour is most vulnerable here, particularly on secondary picketing and a mere slap on the wrist for defaulting unions. It is a weakness upon which Mr Baker will seize with glee.

Most of us have seen all this coming, but the experience of hearing it first-hand, in full, is still quite remarkable. The new multilateral policy does not guarantee nuclear disarmament while Britain is in Nato, which it will be, although, of course, Labour's strategy is to be part of the global disarmament process. The younger generation may understand European federation, but Labour is content with moving cautiously, and piecemeal, along a lengthy road that may be pointed in that direction. A majority of ministers in Mrs Thatcher's Cabinet have privately expressed the same sentiments. We cannot rush into a new grand plan for eastern Europe when it is hardly a fortnight since the Berlin Wall began to crumble. And so on.

The Labour leader's second fundamental message is that he does so on many issues. I believe that the British polity will never be properly managed while there is an all-powerful Prime Minister and an adversarial system in parliament; Mr Kinnock argues, Englishly, that it is the individuals and their intentions that count, not the mechanism through which they exercise power. The Labour review excludes proportional representation for the House of Commons, but does not rule it out for a proposed new senate (not a Kinnock priority), regional assemblies (of which Scotland's would come at once), or elections to the European Parliament. My impression is that he might slowly and reluctantly succumb to pressure on these matters and leave it to a faraway future to decide on PR for the Commons. If the Kinnock we see today is to be trusted with the most powerful prime ministership in the democratic world, he must try harder to understand those whose doubts would be stillied by a more positive programme of constitutional reform.

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LOMBARD

# A triumph of whose values?

By Martin Wolf

AS THE REGIMES of eastern Europe crumble, there is much talk of the triumph of "western values." What are these western values? They are parliamentary democracy, the market economy and "a government of laws, not of men." That these are universal western values is a myth. Over the centuries there have been, above all, Anglo-Saxon values.

Their triumph in this century is owed to one Anglo-Saxon power, the United States of America. At this extraordinary juncture of history, when the division of Europe may be ending in peace, prosperity and freedom, Europeans should give thanks where their thanks are due.

None of this looked in the least likely 50 years ago. The history of this century is divided by one day, December 7, 1941, the date of Pearl Harbour. After the collapse of capitalism in the 1930s and the first two years of the Second World War, it seemed overwhelmingly likely that the 20th century would witness the triumph of one of two other creeds, Marxism or National Socialism. Both are quite as European as Anglo-Saxon liberalism. In their common idealism, in their common desire of a socialist community under the sway of a Guardian class, they go back to Plato, than whom no more central a figure in western intellectual history can be imagined.

By the beginning of the century, the original Anglo-Saxon power, Great Britain, had lost the strength to maintain the global liberal order. Exhausted by the First World War and enfeebled economically, all the UK could do in the Second World War was survive and hope that the New World would come to the rescue. We owe thanks to the Japanese for this rescue (and to Hitler for his subsequent declaration of war on the US) - this being perhaps the most striking example of unintended consequences in history.

Within four years of Pearl Harbour, both National Socialism and Japanese militarism had been defeated. Within eight years, the global economic institutions - the IMF, the World Bank and the Gatt - had been established, the

Marshall Plan was under way and western Europe was on the path of recovery, its security underwritten by the US presence in Nato. Meanwhile, the colossus of the East had imposed upon occupied eastern Europe its totalitarianist road to bliss.

Thus there arose in the divided continent of Europe the conflict foreseen a century before Pearl Harbour by Alexis de Tocqueville, in his classic study of Anglo-Saxon values, Democracy in America. "The Anglo-American relies upon personal interest to accomplish his ends," he wrote, "and gives free scope to the unguided strength and common sense of the people; the Russian centres all the authority of society in a single arm. The principal instrument of the former is freedom; of the latter, servitude. Their starting-point is different and their courses are not the same; yet each of them seems marked out by the will of Heaven to sway the destinies of half the globe."

It looks as though the half of the globe dominated by the Anglo-Americans has now won a second great victory. This time the victory, a peaceful one, is against Russia, a Russia captured by a European totalitarian ideology, as a result of that debacle of European civilisation, the First World War. Europeans should never forget the difference between the first and second halves of this century, between the world they made for themselves and the world they have made under American tutelage.

Like all great historical events, those we now see in Europe have their ironies. The UK, the mother country of Anglo-Saxon values, now finds itself in the stocks as insufficiently European. For this, it has itself largely to blame. The second and greater irony is that the Anglo-Saxon powers have been falling on hard times, most notably the UK, but the US, too. The US remains the one true global power, but, if the triumph of Anglo-Saxon values is to hold good into the next century, it will only be if their implantation in erstwhile enemies has been as successful as we all hope.

## LETTERS

### Marx and Machiavelli meet

From Mr Nicolas Travers. Sir, The East German Government (DDR) plans to introduce strict controls on currency outflows (FT report, November 20) appear to present a singularly Machiavellian approach to monetarism. It is true that GDR citizens visiting the West are now shipping out MDN (Mark der Deutschen Notenbank) at ever softer free market exchange rates as they compete for hard currency, and the MDN has lost roughly two thirds of its free market value in the past year. But these exports surely create important beneficial pressures both on demand and supply. For a start, the outflow is significantly eroding a big monetary overhang of cash, saved within the GDR banking system because the GDR has so few and such poor consumer goods. MDN are literally going west. By the same token, GDR

purchases in West Germany, external accounts, transactions with the West are strictly hard currency or barter deals. Eastern deals are similarly bartered, or counted in Comcon roubles. Currency depreciation, coupled with return to a certain border strictness, might also generate long-term political strength. The MDN now seems at a nadir. Careful GDR Government management, backed by western aid, and supported by toughening controls, could edge it progressively higher from now on. Hence a princely lesson: scrap cash, scrap demand, murder the market - then revalue. It seems that Marxism can still teach us a trick or two. Nicolas Travers, Birchfield Cottage, Middle Green, Slough, Berkshire

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### Correction, please

From Mr Henry Neuburger. Sir, Before Samuel Brittan ("Economic Viewpoint," November 16) and Wynne Godley (Letters, November 21) become too entangled in disputes over the Autumn Statement diagram showing the link between capacity utilisation and the non-oil trade deficit, they should note that the diagram is wrong. The Treasury has used data for the total trade deficit before 1979 and the non-oil deficit afterwards. If it had used the non-oil deficit throughout, then the 1973-74 period would have shown deficits at about 1½ per cent of GDP. Only during the 1974-75 period did it exceed 2 per cent. The impression given by the diagram, that the present trade deficit is normal for this stage of the trade cycle, is wholly misleading. The normal deficit as a share of GDP since 1982 has exceeded anything that has gone before. I hope the Treasury will issue a corrected diagram before the time it has started up has run too far. Henry Neuburger, Office of the Shadow Environment Secretary, House of Commons, Westminster SW1

Maps for MMBA. From Mr Robert Lewis. Sir, Mr Rex Winsbury's letter (October 21) about the availability of maps in "miles and miles of bloody Africa (MMBA)," particularly Kenya, is nonsense. Kenya has an excellent and sophisticated survey department producing maps of all sorts, which any one can buy with permission from the correct authority. The restriction was imposed when one of our neighbouring countries looked acquisitive; we did not want it buying our maps for issue to its army. Furthermore, Mr Winsbury's implication that the old days under British rule were best is insulting and wide of the mark. To take just one example: the British record on conservation was lamentable; it could be summarised as "plough it up or cut it down." Robert Lewis, Trans-African Guides, Box 49536, Nairobi, Kenya

### League table of working hours in Europe

From Mr Pete Burgess. Sir, "Working time" in terms of individual weekly working hours is not the only part of the picture in making international comparisons (Letters, November 14). Increasingly, manufacturing industry in Europe looks at working hours in terms either of an explicitly (Italy, Spain, Netherlands) or implicitly (West Germany) agreed annual total, with weekly hours taken as an average figure, a benchmark for calculating overtime, or a mid-point in a permitted range of weekly hours. Differences in annual and public holidays, together with

the prevalence of granting additional days off ("time-banking") as the form of working-time cut most preferred by many (male) employees, mean that the nominal working week is becoming a less and less reliable international indicator. The Federal German Confederation Employer Associations (BDA) shows annual worked in manufacturing industry in selected OECD countries as follows (weekly hours in brackets): Japan (40) 2,201; US (40) 1,912; Switzerland (40) 1,888

Sweden (40) 1,808; France (39) 1,771; Spain (40) 1,776; Italy (40) 1,768; UK (38) 1,763; Netherlands (40) 1,748; Austria (39) 1,739; Norway (37.5) 1,733; Belgium (38) 1,710; West Germany (38.4) 1,697. Given the economic strength of the countries at the top and bottom of the "hours" league, working time is far from the central determinant of national manufacturing success. Pete Burgess, Incomes Data Services, 183 St John Street, EC1

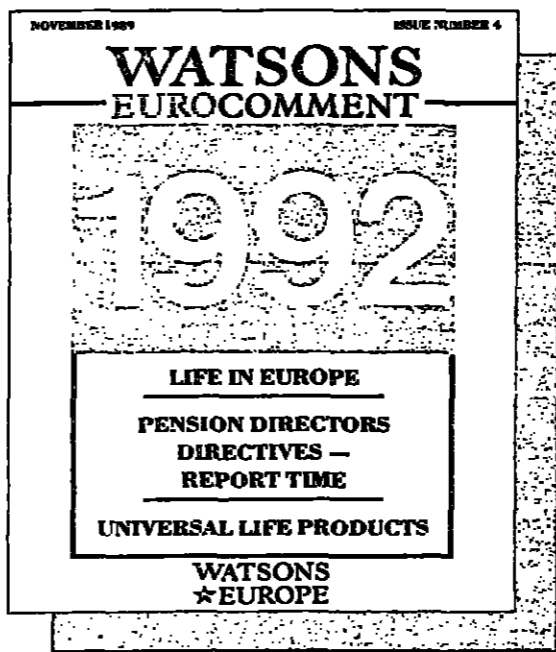
### South Africa and sanctions

From Mr Gerry Pocock. Sir, I note that once again you are carrying a series of advertisements from "The Voice of South African Business." Following an earlier series you kindly published my letter criticising the somewhat disingenuous attitude of these business people to apartheid. They're at it again. James Chapman of the South Africa Black Taxi Association, quoted in the advertisement on November 17, reports that the association is against general sanctions. He makes an intriguing point, though: "Should black South Africans be told that if they support sanctions for, say a year, apartheid would end, then everyone

would agree." He also claims that previous supporters of sanctions are reconsidering. Warren Clewlow of Barlow Rand claims: "Much of the sanctions pressure has been motivated not by lofty moralistic ideals but for the initiators' own benefit." OK, South African business is against sanctions and is prepared to say so. It implies that it is for democracy and reform. It is not prepared to say that the system of institutionalised racism which is apartheid must go and be replaced by majority government. The silence is revealing. I draw your attention to two observations from the Commonwealth Sanctions Report:

"Sanctions are the way to force Pretoria to enter into genuine negotiations... sanctions are an essential part of negotiations, not an alternative to negotiations." "Sanctions will help to convince white South Africans that it is in their own interests to dismantle apartheid and enter negotiations to establish a non-racial and representative government." Let's have some advertisements from South African business people advocating that. Gerry Pocock, International Secretary, Communist Party of Great Britain, 16 St John Street, EC1

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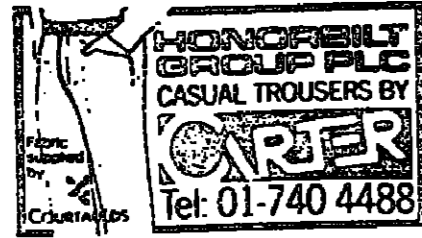
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# FINANCIAL TIMES

Friday November 24 1989



## EUROPEAN AIR DEFENCE

# France blocks details of missiles to Britain

By David White, Defence Correspondent, in London

FRANCE is understood to be refusing to provide further information on the planned Government on a British new range of air defence missiles until the UK decides whether to join the project or opt for a US-led alternative.

The UK decision, awaited next month, is crucial to plans by British Aerospace and France's Thomson-CSF for merging their guided weapons business, and to prospects of a joint rescue bid by the two companies for Ferranti International Signal, the troubled electronics group.

The French Government has made clear that it will approve the BAe-Thomson missile merger only if Britain joins

France and Italy in developing a weapon programme known as Fams (Family of Anti-Air Missile Systems).

Rejection of the merger would undermine the strategy drawn up by the state-controlled Thomson-CSF for a major UK alliance, including possible part-ownership of Ferranti.

The British Ministry of Defence is thought to be leaning in favour of the French-Italian project, but no decision has yet been made.

The ministry's equipment policy committee, on which the treasury is represented, has reaffirmed the British Navy's requirement for a new air defence system following

Britain's unexpected withdrawal in September from the eight-nation Nato frigate project.

France and Italy also withdrew from the project. Both Britain and Spain have been closely associated with the French and Italians in working-group discussions on Fams, one of two systems which were being considered for the Nato frigate.

France's state-owned Aérospatiale, Thomson-CSF and Selenia of Italy have set up a joint venture for the programme, called Eurosam.

The planned weapons are based on Aérospatiale's Aster missile. UK participation would involve BAe and GEC-

Marconi. Questions have now arisen over the future of the rival US project, Nato Anti-Air Warfare System (NAAWS), because of future US military spending cuts announced last weekend by Mr Dick Cheney, the US Defence Secretary.

The UK has formally until mid-December to decide whether to sign a memorandum of understanding to join NAAWS.

West German participation in NAAWS is also in doubt and awaiting a decision in early December.

The UK's deadline for joining Fams is not until next April, but pressure is building up for an early decision on

whether, if either, Britain should go for.

The Fams project involves three kinds of naval missile and a land-based variant.

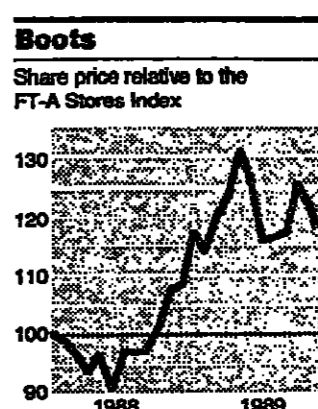
French and Italian naval requirements cover only the shortest and longest-range. Britain, however, wants a medium-range "local area" missile. Buying into the programme is expected to involve a higher "up front" cost than joining NAAWS.

Meanwhile, the five countries remaining in the NAAWS programme - the US, Canada, West Germany, Spain and the Netherlands - decided this week to continue to fund work at least up to the end of the year.

## THE LEX COLUMN

# Sterling ignores the trade winds

Maybe the absence of the foreign financial heavy hitters, many of whom have been on holiday this week, explained the currency market's less than rapturous response to a set of UK trade figures which were not as horrible as expected. This is the optimist's view of why sterling's effective rate fell yesterday for the eighth straight day in a row. Perhaps when the foreign bankers get back to work next week they will suddenly realise that the UK balance of payments is on the mend and begin buying sterling again. Some hope.



hopelessly circumstantial job. It could be argued that the fault lies with glibble or careless reporters. That is to an extent undeniable; but this was a particularly professional job, addressed to at least four serious newspapers over four working days - each time with a greater wealth of circumstantial detail until one of them succumbed. Anyone with the right contacts and sophistication can do the same again. And as before, the authorities will be unable to lay a glove on them.

# EC asked to relax Polish import quotas

By David Suchan in Brussels

THE EUROPEAN Commission is asking EC governments to agree to enlarge textile and steel import quotas for Poland and Hungary, and to give the two reformist states temporary preferential access to the Community market for a range of other products.

The proposals, to be put before EC Foreign Ministers on Monday, go beyond recent Community trade concessions, which mostly accelerate removal of quotas specifically directed at Poland and Hungary, without putting them on a better footing than many non-communist exporters to the EC.

As it prepares today to host another meeting in Brussels of

the 24 Western aid donors involved in helping Poland and Hungary, the EC executive has announced plans to:

• Exempt for an initial year Poland and Hungary from the quota restrictions on a wide range of goods, from mini-buses, to shoes, to toys. These are called "non-specific" quotas because they affect a broad range of countries and are not limited to state-trading countries of the East.

Exemption would give Poland and Hungary an advantage not only over their Com-eccon brethren, but other exporters to the EC. This exemption "could be extended for however long it takes Poland and Hungary to

restructure their economies," EC officials said yesterday.

• Increase quotas for Polish and Hungarian textiles and clothing which the Community imposes under the International Multifibre Arrangement. Warsaw has asked for a 41 per cent increase - worth some Ecu150m (\$188m) or Ecu160m a year - in its quota. Budapest has requested a 16 per cent rise (Ecu50m), and the Commission wants a mandate from EC governments to start negotiations on these demands.

• Phase out the national quotas which West Germany, Italy and the Benelux countries still impose unilaterally on Polish and Hungarian steel. The two countries would then be able to

negotiate with the Commission over their overall steel shipments to the EC, as other exporters including the US do.

The Poles and Hungarians do not fulfil their current steel quotas in the various EC states, but higher quota limits would help them either as their economies pick up or if they chose to divert shipments away from Com-eccon partners for hard currency sale in the EC.

However, the Commission this week deferred consideration of infrastructure loans to Poland and Hungary from the European Coal and Steel Community in order to take prior action to improve the two countries' trading terms.

# UK youth labour shortage boosts pay

By John Gapper, Labour Editor, in London

THE WAGE rates of 16- and 17-year-old boys in Britain are rising by 36 per cent a year as employers compete to recruit a falling number of school-leavers, the Government's New Earnings Survey disclosed yesterday.

The 1988-89 year is the third in succession that youth wage rates have risen well above adult earnings and indicates that government calls for employers to offer better training rather than increasing wages are not being heeded.

The pressure on employers to raise youth pay and training is common across Europe because of changes in the composition of the workforce. European Community countries are facing sharp falls in the number of young people.

The survey shows that the earnings of full-time male workers under 18 rose 36.8 per cent in the year to April, while those of full-time girls under 18 rose 28.2 per cent. Increases were progressively smaller for older employees.

Employers in a variety of industrial sectors have brought youth wage rates in line with those for adults in the past two years. This has led to big percentage increases for 16 and 17-year-olds.

Several big multiple retail groups this year increased youth wages substantially to attract recruits. Boots, the big pharmaceutical chain, raised rates for 17-year-olds between 13 and 15 per cent, and the Tesco supermarket group raised rates for 16-year-olds by 22 per cent.

This is the third year of substantial youth pay rises in the UK. In the 1987-88 year, earnings rose 15 per cent, while 18 rose 42.1 per cent. Pressure on youth rates is likely to continue with the fall in numbers up to 1995.

Boys under 18 working full-time earned an average of £94.70 (£149) a week in the year surveyed, while girls of the same age earned £90.20. Earnings rose with age to a peak for men between 40 to 49, who earned a weekly average of £309.10. *New Earnings Survey. HMSO. 25c.*

# Inquiry ordered into Indian poll violence

By K.K. Sharma in New Delhi

AN INQUIRY is to be held into election violence in the Amethi constituency of Uttar Pradesh where Mr Rajiv Gandhi, the Indian Prime Minister, is pitted against Mr Raj Mohan Gandhi, grandson of Mahatma Gandhi and the Janata Dal candidate. No decision has yet been made on an opposition demand for re-polling there.

The violence at Amethi included the shooting of the local Janata Dal leader, Mr Sanjay Singh, who was criti-

cally ill after being wounded in the stomach. Forty-six people died during widespread violence which erupted in a number of constituencies on Wednesday, the first day of the elections.

Unfair election practices were alleged at Amethi, one of the main trouble spots. Counter-accusations of violence and dirty tricks were made by members of the ruling Congress Party at a press conference held by the party's

spokesman Anand Sharma. Further violence is feared elsewhere during today's second-phase polling. The final phase will be on Sunday.

The wounded Mr Sanjay Singh is related to Mr V. V. Giri, president of the country, and is a sworn foe of Mr Gandhi. Apart from the shooting of Mr Singh, the Janata Dal has alleged that many polling booths in Amethi were seized by Congress workers and ballot boxes stuffed.

The inquiry was ordered by the Election Commission after Mr Venkataraman, the Indian President, expressed disquiet. The President's intervention is significant since he is expected to play a crucial role in the formation of the next Government, if, as is widely expected, no party gets an absolute majority.

The Election Commission has ordered fresh polling in as many as 578 booths in six states.

# Lebanese MPs set to elect new president

By Lara Marlowe in West Beirut

LEBANESE MPs were again summoned to northern Lebanon yesterday in an attempt to elect a successor to President Rene Moawad who was assassinated in West Beirut on Wednesday.

Mr Hussein al-Husseini, the Speaker of the Parliament, sent 19 telegrams to deputies residing abroad, appealing to them to repeat the journey they made on November 5.

"Each one of us is Rene Moawad," Mr Hussein said. "We have the absolute duty to pursue the peace process until the salvation of the country." Mr Hussein spent the night in Damascus, where he conferred with Syrian officials.

Forty-three deputies travelled through the Bekaa Valley in an armed convoy to the northern Lebanese town of Zghorta where Mr Moawad's funeral is scheduled to take

place tomorrow.

A quorum of 48 deputies is needed to hold the election, which is expected to take place over the weekend either at Qlaiaat air force base or at the Maronite Patriarch's summer residence at Diman, both in northern Lebanon.

Dr Selim al-Eissa, the late President's Prime Minister-designate, talked by telephone with President Hafez al-Assad of Syria and the members of the Arab League's tripartite committee on Lebanon, King Fahd of Saudi Arabia, King Hassan of Morocco and President Chadli Benjedid of Algeria.

There is a consensus among Lebanese leaders and the Arab League that a successor to President Moawad must be found quickly if the peace process is to be salvaged.

"Unless we elect a new presi-

dent within 24 hours, or at the most in a few days, we shall enter a period of hell," Mr Walid Jumblatt, the Druze leader, said in Damascus.

One Maronite deputy who had been a candidate said, "I won't play this lousy game."

Nearly every political and religious leader in the country publicly deplored the assassination.

Lebanese warlords and regional powers implicated in Lebanon's strife lost little time in blaming one another for Mr Moawad's death.

In Iraq, government-controlled media accused Iran and Syria of masterminding the explosion which Moslem Lebanese army intelligence officers described as "more than professional." They estimated that it had taken two days to fill the small disused shop with 550lbs of

explosives and wire it with a highly sophisticated remote control device.

Mr Jumblatt accused Iraq, which has supported Gen Aoun in his "war of liberation" against 40,000 Syrian troops in Lebanon, of ordering the killing, while the National Front - of which Mr Jumblatt and Mr Nabih Berri, the Shia Moslem leader, are members - directly blamed Gen Aoun, Damascus - began a week of mourning.

Mr Moawad had been a *Chéhabist* - disciple of Gen Fouad Chéhab, who was President of Lebanon from 1958 until 1964. The three main tenets of *Chéhabism* are understanding between Moslems and Christians, the modernisation of Lebanon and opening towards the Arab world. *Editorial comment, Page 20.*

# EC to ease takeovers

Continued from Page 1

the use of bearer, or unregistered, shares.

The role of the West German banks as depositories, shareholders and board members is also a barrier.

In countries such as France, and to a lesser extent Italy, protectionist government policies are also found to be a barrier to takeovers. The report notes a tendency by the French Government to delay foreign bids to wait for a more acceptable alternative to emerge, or to protest over "non-EC ownership," when the bidding company had non-EC minority shareholders.

The report calls on the Com-

mission to act to remove these technical barriers. It notes that such action might stop countries which still do not have a takeover culture - and hence have no such barriers - from erasing them.

However, it is cautious about the effect of future EC legislation in opening the market. It notes that although legislation covering some of the issues has been put forward by the Commission, progress towards its implementation is being frustrated by the divergent views of member states. It warns that were legislation adopted, it is doubtful whether member states would force their companies to comply.

# British trade deficit falls

Continued from Page 1

year's £20.8bn visible trade gap.

Sterling was slightly steadier after having fallen sharply earlier in the week because of Britain's continued high inflation rate and uncertainties among international investors about the leadership contest in the Conservative party.

Against the D-Mark, the pound closed 1/4 pence higher at 2.8375. But it eased slightly to \$1.6620 in quiet US Thanksgiving Day trading, while the Bank of England's trade weighted sterling index closed at 87, down 0.1.

Equities put on a more impressive show, albeit in quiet trading.

The FT-SE 100 index advanced strongly on news of the figures to close at 2220.5, up 28.2 points.

The opposition parties, however, were unimpressed by the figures. Mr Gordon Brown, Labour's trade and industry spokesman, said Britain was "clearly at the bottom of the European league for trade" with a trade deficit of £2.5bn in electronics and information technology alone.

Mr Matthew Taylor, the Liberal Democrat trade and industry spokesman, said: "It illustrates how bad things are when ministers are delighted by a £1.54bn monthly trade deficit."

# Accord on IMF resources

Continued from Page 1

tional affairs.

Mr Michel Camdessus, the IMF managing director, has called for a doubling of quotas to enable the fund to play a full role in the world economy, and to support the fund's 22 executive directors, including West Germany, have supported a quota rise of two-thirds.

The US has been reluctant to commit itself so far because of Congressional pressures and suspicion of the IMF. Seven Republican senators and 17 members of the House have written this week to Mr Nicholas Brady, the Treasury Secretary, urging him not to commit the US to the proposed quota increase at present.

Their letter expresses concern about transferring the burden of bad debts of developing countries from private banks to the US taxpayers.

The Congress also points to the IMF's margin of unused resources and question its record. Their letter underlines the problems which any large quota increase would face in trying to gain approval in Congress.

The US Treasury has been careful to express its support for a quota increase in guarded terms. It has sought to maximise its domestic political appeal by linking a quota increase with the IMF's ability to participate in the Third World debt reduction plan launched last

March by Mr Brady, and particularly to help close friends of the US, such as Mexico and the Philippines.

The Treasury has also pointed to the IMF's role in responding to the reform programmes and economic restructuring in Eastern Europe. A fund team is currently negotiating with the Polish Government.

The US is apparently willing to join in the negotiations as "a matter of priority," but there is a very tight timetable for talks to be completed by the end-of-the-year target.

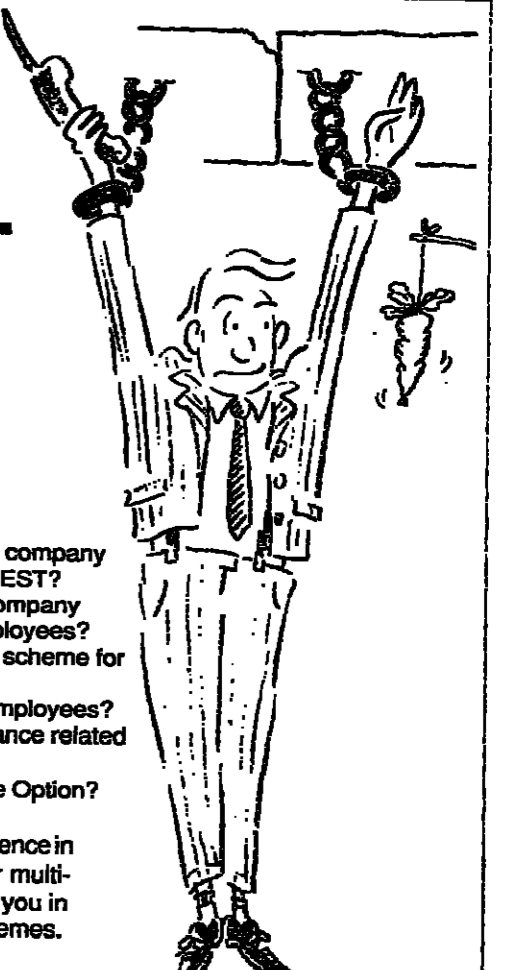
This is because the issue of quotas is tied in with a review of relative shares and voting stakes and, in particular, with Japan's demand to take over second ranking from Britain in the order.

The problem in the reshuffle is determining where Britain stands relative to West Germany, now third, and France, now fourth. The IMF staff's solution is to have an order of the US first, Japan and West Germany second equal, and then France and Britain equal.

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## WORLD WEATHER

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
Abasco	17	0	0	Madrid	13	0	0
Algeria	17	0	0	Manila	27	0	0
Amman	17	0	0	Medan	27	0	0
Amsterdam	17	0	0	Meerut	27	0	0
Ankara	17	0	0	Mexico	27	0	0
Antwerp	17	0	0	Moscow	27	0	0
Bangkok	17	0	0	Mumbai	27	0	0
Barcelona	17	0	0	Nairobi	27	0	0
Bombay	17	0	0	Rangoon	27	0	0
Buenos Aires	17	0	0	Reykjavik	27	0	0
Calcutta	17	0	0	Rome	27	0	0
Cairo	17	0	0	Sao Paulo	27	0	0
Cebu	17	0	0	Seoul	27	0	0
Colombo	17	0	0	Singapore	27	0	0
Dhaka	17	0	0	Sydney	27	0	0
Dublin	17	0	0	Taipei	27	0	0
Frankfurt	17	0	0	Tokyo	27	0	0
Geneva	17	0	0	Ulaanbaatar	27	0	0
Hong Kong	17	0	0	Yokohama	27	0	0
London	17	0	0				
Los Angeles	17	0	0				
Manila	17	0	0				
Moscow	17	0	0				
Mumbai	17	0	0				
Nairobi	17	0	0				
Rangoon	17	0	0				
Reykjavik	17	0	0				
Rome	17	0	0				
Sao Paulo	17	0	0				
Seoul	17	0	0				
Singapore	17	0	0				
Sydney	17	0	0				
Taipei	17	0	0				
Tokyo	17	0	0				
Ulaanbaatar	17	0	0				
Yokohama	17	0	0				

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**INSIDE**

**Rosehaugh bid rumour pricked**

Rosehaugh, the sprawling UK property group led by Mr Godfrey Bradman, announced profits of £36m, up from £30.38m. The company's detailed explanation of the results demolished speculation that it had been negotiating a takeover by Olympia & York, the Canadian group which is developing London's Canary Wharf. With this, and warnings from Mr Bradman of more difficult conditions for property companies, Rosehaugh's share price fell by 33p to 521p after rising 94p over three previous consecutive trading days. Page 32

**Two of a kind**

Denmark's two biggest banks, Den Danske Bank and Handelsbanken, have never missed an opportunity to emphasise their differences. It therefore came as a complete surprise last week when these arch rivals, trumpeting their similarities, announced they had merged. Separately, both banks were struggling to keep pace with the growth of the biggest industrial companies. Together, they hope to be big enough to play a role as a European regional bank. Page 24

**Starved of capital**

Africa's peasant farmers are the focus of a continuing battle to feed the continent's soaring population. But they are themselves suffering a sort of starvation - lack of operating capital. Bankers at a recent meeting of central bank governors in Abuja, Nigeria's new capital, acknowledged that they had not been doing as much as they could to help solve this problem. Page 34

**Streetwise investors**

Widely admired in the industry and on Wall Street for pulling together the biggest spread of territories at bargain prices before anyone else realised the full potential of cellular, Mr McCaw is publicly shy. Up to now he refused to give press interviews,

The individual investor in the US is often portrayed as a hapless victim of large institutions, manipulative brokers and whip-sawing stock markets. But this is not necessarily so. Companies that deal extensively with individual investors say they are well-educated, widely informed and deeply sceptical of swallowing buy-and-sell advice from brokers. Janet Bush reports. Page 44

**Banks seek out the German rich**

The average West German is better paid than most his European counterparts and is much more likely to save. It is understandable, therefore, that private banking for the wealthy plays an important, though often overlooked, part in the country's financial system. While such services have traditionally come from a select breed of small private banks, usually based in affluent centres like Hamburg or Munich, interest has recently widened to include some of the country's biggest universal banks. Page 29

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**Chief price changes yesterday**

FRANKFURT (DM)		Paris	
Alcoa	2120 + 61	BOC	329 + 82.1
Duisburg Bk	681 + 10.5	C.S.E.E.	327 + 44.3
Siemens	598.5 + 8.5	Eurotunnel	48.1 + 2.7
Phelps		Ficht-Berndt	1168 + 72.2
Commerzbank	300 - 12	Genesys Int.	2039 + 113.9
Salomon (F)	1151 - 34	Pharm	
Mannesmann	595 - 15	BP	800 - 45.5
Paribas (Fny)			

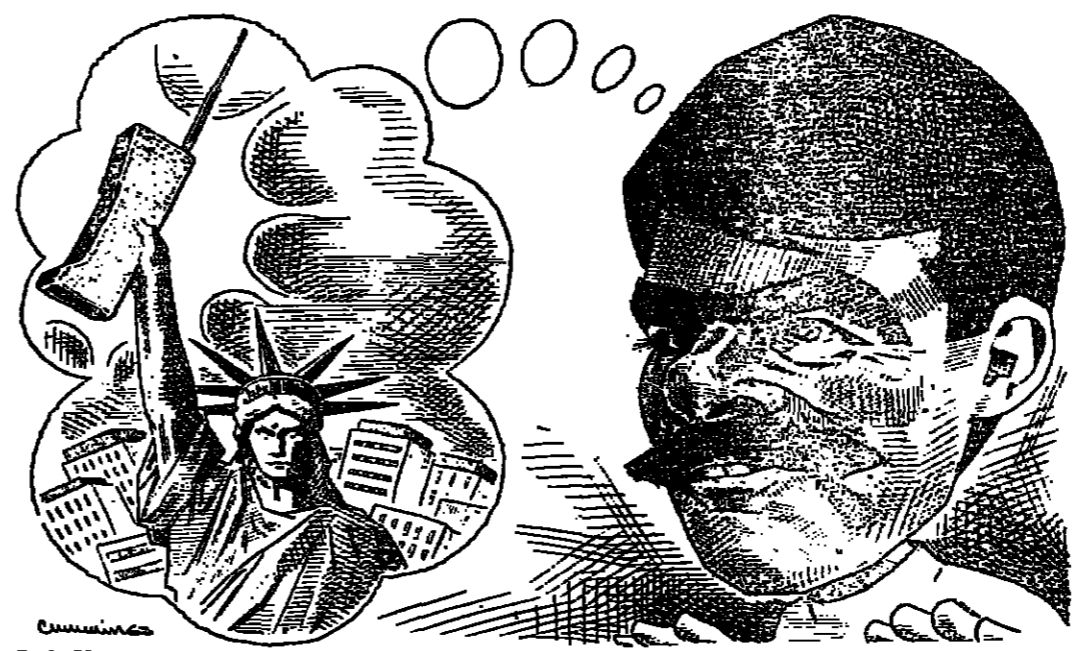
**LONDON (Pence)**

Shell	498 + 9	Royal Ind.	498 + 9
Barclays	254 + 12	Standard Chart.	355 + 10
Bank	976 + 14	Shell	1174 + 41.2
Int. Antiquary	520 + 13	Unilever	381 + 6
Int. Sea	229.2 + 6	Pharm	
BP	257.5 + 4	ASDA Int	125 - 5.2
Cityinvest	335 + 4	Capital Radio	314 - 40
SUS A	1044 + 34	Granich	314 - 6
Lloyds Abbey	281 + 11	Lagan	323 - 13
W&A	228 + 4	Wynham Op.	247 - 8
Wynham Op.	228 + 21		

**Hard cell in New York**

**Roderick Oram reports on McCaw's tenacious bid for LIN**

The setting was grand, the technology shabby when Mr Wayne Perry, vice chairman of McCaw Cellular Communications, stood up this week to tell a New York audience his company could win control of LIN Broadcasting, and subsequently save the fledgling US cellular telephone industry. "Boy, am I glad our cellular service works better than this," he said, as someone tried to coax him out of the stumpy hotel's aisle projector and microphone. "Not in New York it doesn't," quipped a member of the audience, to knowing laughs from analysts and investors around him. Mr Perry grinned broadly. McCaw, 23 per cent held by British Telecom, wants nothing more than to get its hands on LIN's franchises in New York and other major cities - stuck with reputations for poor service - to show how good cellular telephone networks can be. LIN, though, is trying to evade McCaw by merging with the cellular operations of BellSouth, the largest of the traditional "wire-line" phone companies created five years ago by the break-up of AT&T. As the fight has dragged on, the rhetoric has escalated. "It's taken on something of a crusade," Mr Craig McCaw, founder and chairman, said in a recent interview at the company's suburban Seattle headquarters. Widely admired in the industry and on Wall Street for pulling together the biggest spread of territories at bargain prices before anyone else realised the full potential of cellular, Mr McCaw is publicly shy. Up to now he refused to give press interviews,



Craig McCaw: wants to get his hands on LIN's franchises in New York and other leading US cities

local Bell, and the other by a neighbouring one. A few of the Bells, most notably Southwestern Bell, are willing to push ahead with cellular even at the expense of their wire-line business, McCaw executives say. But others, most notably BellSouth, are giving it less than their best shot. The true test, for example, is a Bell company of connecting a cellular call to a local wire-line phone is less than 1 cent a minute, says Mr Paul Stok, McCaw's vice chairman for regulatory affairs. But Bell companies are charging McCaw anywhere from 24 cents to 17 cents, he says. McCaw believes it is the only company with any hope of challenging the obstructionist Bells and leading the other independents in banding together to form a national network. But to do so, analysts say, it needs LIN's licences in New York, Los Angeles, Dallas, Houston and Philadelphia to bring critical mass to its own franchises in those regions. If LIN merges with BellSouth's cellular operations, Bell compa-

**Navigation Mixte bid focuses on takeover rules**

By George Graham in Paris

WITH ONE week to go before its closure, the FF25.6bn (\$4.13bn) takeover bid by French investment bank Paribas for Compagnie de Navigation Mixte, the food to financial services conglomerate, has developed into an argument over the proper application of France's new takeover rules. Over the past few days, Paribas has repeatedly called on the French stock market authorities to intervene against what it views as an obvious concert party organised by the Navigation Mixte management to defend against its bid. The group argues that a small group of Navigation Mixte shareholders is systematically buying shares at a price slightly above its offer price of FF1.650 a share. Neither the Conseil des Bourses de Valeurs (CBV), the stock exchange council, nor the Commission des Opérations de Bourse (COB), the market policing authority, has yet accepted Paribas's arguments. But the CBV has written to five Navigation Mixte holders, owning between them 31.5 per cent of the company, reminding them that if they were to act in concert they must make a public bid on reaching the legal threshold of 33.33 per cent. Four of the five shareholders are represented on Navigation Mixte's board: Crédit Lyonnais, Société Générale, Framatome and Allianz. The fifth is the construction group Bouygues, which took its stake above 4 per cent last Friday by buying a large block of shares for FF630m. Mr Pierre Bérégovoy, the Finance Minister, said yesterday that he viewed this as the right approach, since the shareholders could not be accused of acting in concert on the basis merely of suspicion, or of assumptions about their intentions. Paribas's bid for Navigation Mixte is the first to take place under the law on takeovers that came into effect last summer and refines the notion of concert party action. Many French stockholders are partly convinced that Paribas, which currently holds just over 20 per cent of Navigation Mixte, will not obtain an outright majority in its bid. However, others say that if undecided shareholders think the bid will fail, they are likely to try to sell in the market to take advantage of the current share price, and this could bring the shares down below Paribas's offer. This could prompt a last-minute wave of acceptances. The result of the bid is unlikely to be known before December 20.

**BP sells South African coal interests to Amcoal**

By Steven Butler in London and Jim Jones in Johannesburg

BRITISH PETROLEUM yesterday sold its South African coal mining interests to Anglo American Coal (Amcoal), South Africa's biggest coal company, for \$800m (\$220m) as part of an asset-disposal programme that looks set to exceed \$5.5bn this year. The sale includes BP's 68.5 per cent interest in the Middelburg Mine Joint Venture and a 12.7 per cent interest in the Richards Bay Coal Terminal. BP retains its involvement in South African oil refining and marketing, and the coal sale is part of any programme to withdraw from the country. BP put its worldwide coal business on the market in June and last month sold its Australian coal business for \$275m. Still to be sold are European coal trading interests, undeveloped lignite reserves in Northern Ireland, and a US coal business that last year included 18.2m tonnes, or 56 per cent of the volume of the entire coal business. BP said yesterday it expected to sell the remainder of the coal business by the year end. Sale of the coal business is part of a broader strategy aimed at bringing down debt. BP has also aggressively bought and sold oil assets in an effort to rebalance its exploration and production portfolio. Sales agreed so far this year include shares of the North Sea Magnus field for \$267m, BP Minerals for \$3.8m, a package of UK and international oil assets sold to Oxyr Energy for \$1.3bn, royalty interests in the Prudhoe Bay oil field for \$543m and coal assets for \$500m. BP's interest in Middelburg goes back to the days of the oil crises when the South African Government allowed the oil majors to acquire coal interests in apparent exchange for unofficial guarantees that crude supplies would not be disrupted. Middelburg produces about 5.5m tonnes of coal a year - slightly more than one eighth of South Africa's export total - and is managed by Douglas Colliery, a subsidiary of Rand Mines. Douglas, which owns the remaining 11.5 per cent shareholding in Middelburg, has a pre-emptive right to buy BP's interest and must decide within six weeks whether to match Amcoal's offer or let it run its course. Amcoal exports about 12m tonnes a year while Rand Mines' collieries export slightly more than 9m tonnes. In a separate chain of related deals, BP and Shell have sold their 34 per cent interest in the Trek filling station chain to Genco, the country's second-largest mining house, for \$100m. Trek in turn has sold to BP and Shell its 50 per cent interest in the lubricants manufacturing business of South African Lubricants Manufacturing for \$40m, while acquiring BP and Shell's 30 per cent interest in Chemco for \$3.4m, bringing its interest to 100 per cent. Amcoal exports about 12m

**Banque Bruxelles lifts profits by 20% but warns of a slowdown**

By Tim Dickson in Brussels

BANQUE Bruxelles Lambert (BBL), one of Belgium's biggest commercial banks, yesterday posted a 20 per cent increase in 1988-89 profits. But it warned shareholders that it is heading "for more difficult years." Mr John Dils, who is stepping down as president next February in favour of his fellow director and heir apparent, Mr Theo Peters, said he would be happy if BBL managed to maintain its profits in the current 18 months. "This is despite hopes that interest rates have peaked and will now start to come down," as well as a belief "that the margins we can make on foreign currencies will be a little bit better." Mr Dils added: "This is going to have to be a year when we invest for the future, notably in technology." A failure to increase profits in 1989-90 would bring to an end five years of steady growth. This culminated yesterday with the announcement of a 19.9 per cent jump in consolidated net profits to just over BF1.2bn (\$15m) for the 12 months ended September. Net profit after transfer to untaxed reserves rose 23.1 per cent to BF1.9bn, while adjusted profit per share was 10.2 per cent higher at BF433. It is proposed to increase the dividend by 9 per cent to BF136 per ordinary share. Meanwhile, BBL's balance sheet total advanced by 11.3 per cent and now stands at more than BF71.97bn. "Yes, in many cities, one pointed to last year's background of a booming economy, both in Belgium and abroad," and cited the growth in corporate investment, increased international trade, and the rise in private income as reasons for the growth in credit. Better volume to a large extent offset the narrower margins which the group suffered as a result of stiffer competition and the "gradual rise in interest rates." But sundry income - mainly commissions rose sharply, confirming as BBL sees it, the wisdom of its strategic push towards financial products and services. Mr Dils said the group faced "two to three difficult years", but he rejected suggestions that staff pruning would be needed as new technology was introduced into group operations.

**Boots mid-term profits rise 21%**

By Maggie Urry in London

BOOTS, the UK retail and pharmaceutical group which spent \$500m (£1.6bn) on buying Ward White, the do-it-yourself and auto parts retailer, in August, has announced interim results demonstrating the strength of its chemists chain. Group pre-tax profits for the six months to September 30 rose by 20.5 per cent to £159.9m, on turnover 12.8 per cent higher at £1.4bn. Within that, the Boots Chemist chain saw a 28.3 per cent profit increase to £22.3m, overtaking the pharmaceutical division which contributed £54.0m (£50.9m). The company's shares were unchanged at 25p. Sir James Blyth, chief executive, said that Boots continued to buck the trend in retailing. However, the takeover of Ward White would dilute group earnings in the current year. On the pharmaceutical side, he reported that Boots was to continue with clinical trials of Manoplex, a new drug for congestive heart failure. In September, the company revealed that initial results from one trial had not been good. Yesterday it said further analysis of those results proved more encouraging. Mr Robert Gunn, chairman, said: "I am confident that, unless the UK economic climate worsens to an extent not presently foreseen, the company will continue its pattern of success." Boots the Chemist added over 1 percentage point to its gross profit margins. That, said Sir James, was the result of the chain's success and "there is still much more to come." He said the chain had increased its market share in the competitive toiletries market to over 26 per cent. The group's other retailing activities fared less well, though. Ward White contributed £7.2m of

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## INTERNATIONAL COMPANIES AND FINANCE

## Poliet bids FFr2.14bn to control Lambert Frères

By William Dawkins in Paris

POLIET, the diversified French building materials group, has launched a complex FFr2.14bn (\$343m) takeover for Lambert Frères, the supplier of plaster, tiles and other construction products which recently returned to profit.

This is the second big approach in the active French takeover market to involve Paribas, the investment bank, which owns 33.7 per cent of Poliet.

Paribas is separately aiming for control of Navigation Miste, the food-to-financial services conglomerate.

Poliet already has options to buy 50.9 per cent of Lambert's shares from Omnium Financier de Paris (OFF), a subsidiary of

Total-Off, the oil group. The building materials company is offering FFr335 per share for all of Lambert Frères' capital, a 6 per cent premium over the FFr505 share price before dealings were suspended by the announcement of the bid.

OFF acquired earlier this week the rights to a crucial 28.7 per cent block of Lambert Frères' shares from Société Financière et Industrielle Gaz et Eau, a holding company which forms part of the Lazard banking group.

OFF bought 9.5 per cent of the Gaz et Eau block and has the purchase rights for the rest. Added to the 28.7 per cent

of Lambert Frères which OFF already owned, this gave the Total unit 57.4 per cent before the deal with Poliet.

Poliet, which has a minority stake in Ciments Français, France's second largest cement producer, produced a net profit of FFr640m on sales of FFr12.2bn last year.

Lambert Frères was a heavy loss-maker until Mr Allain Claron, former chief executive of Gaz et Eau, took over as chairman in 1986 and engineered a spectacular revival.

His company is expected to produce a FFr120m profit on sales of FFr5bn this year, against the FFr20m loss it made on sales of FFr1.6bn in 1988.

## Sandvik stagnates despite a rise in sales

By Robert Taylor in Stockholm

SANDVIK, the Swedish cemented carbide and special steels group, yesterday reported stagnating profits (after financial items) of SKr654m (\$101.7m) for the third quarter compared with SKr652m a year earlier. Sales rose to SKr4.29bn from SKr3.92bn, though.

Mr Per-Olof Eriksson, group president and chief executive, said: "The generally weaker state of trade and declining nickel prices are beginning to retard the growth of Sandvik's invoicing." But he added that Sandvik expected invoiced sales for the whole of 1989 to be at least SKr18.5bn.

Mr Eriksson said the group's earlier forecast of "a marked improvement" in its profits before appropriations still held good. Nickel prices will clearly determine whether the profit before non-recurring items outruns last year's figure of SKr2.75bn.

Sandvik reported a 13 per cent improvement in its profits to SKr2.14bn from SKr1.87bn over the whole of the first nine months of the year. Earnings per share after estimated full tax came to SKr24.50 compared with SKr19.40 for the same period of 1988. The return on investment in the last twelve months was 25.2 per cent.

The company also said the general business slowdown that first began in North America was continuing, although there was still a strong demand for its products in investment-related sectors of industry, particularly in Japan and West Germany.

The group achieved a 17 per cent growth to SKr13.75bn from SKr11.80bn in the first nine months of the year in its invoiced sales with a 15 per cent improvement in Europe, except for Sweden where there was a drop of 18 per cent.

In its product areas Sandvik said that there had been a 24 per cent increase during the first three quarters in its steel division to SKr4.98bn from SKr3.88bn and a more modest 13 per cent growth in its cemented carbide division to SKr7.11bn from SKr6.32bn.

## Rivals accentuate the positive

With 77 commercial banks, not to mention about 150 savings banks, to serve a population of 5.1m people, Denmark is heavily overbanked.

Perhaps more significantly, the biggest banks have failed to keep pace with the growth of the biggest industrial companies, which must therefore split their business between more than one bank.

Mergers between the larger banks were expected (and now ones are expected in the near future) but it came as a complete surprise last week that the first to get together were Den Danske Bank and Copenhagen Handelsbank.

It was not so much that it is a case of the two biggest getting together, but that they are arch-rivals, who have never missed an opportunity to emphasise their differences.

But with rivalry consigned to history, the top management at each are emphasising the similarities. Mr Knud Soerensen of Danske Bank, who will alternate with Mr Hans Eyrind Hansen of Handelsbanken as chief executive of the new bank, which will be called Den Danske Bank (but will retain the Handelsbank logo), said: "I don't want to hear any more about supposed 'cultural differences.' We are two very similar banks, perhaps with slight differences in management style, but all our employees have the same educational background."

Mr Hansen, who conducted the merger negotiations together with Mr Soerensen,

said: "The banks have used different expressions, but when we have looked at the content of the words, we have found that there is not much real difference. The important thing now is that the directors are in agreement, and they are passing this on to their staffs."

The starting point for the merger may one day be dated to Mr Hansen's arrival at Handelsbank two years ago as chief executive-designate. He mapped out a three-point strategy for the bank:

**Hilary Barnes examines the unexpected merger of the very different Den Danske Bank and Copenhagen Handelsbank**

to get its own house in order after a troubled period; to take the lead in the structural reorganisation of the banking sector, which everyone agreed was necessary; and to become big enough to play a role as a European regional bank.

The next stage was outlined by Mr Soerensen. "We have the size and weight to make us attractive as partners for domestic and foreign businesses, and we emphasise that we have not reached the end with this merger. We shall grow further."

The new Danske Bank has equity capital of DKr19bn (\$2.6bn) and a balance sheet of DKr30bn, which ranks it 80th by equity and 65th by balance sheet in Europe. Danske has a 30 per cent stake in Aarhus-based Provisbank (under Danish law it may not increase the stake any further), with a bal-

ance sheet total of about DKr70bn, and it is hoped that Provisbank will join the group, although so far it is sticking to its independence.

"We also hope for alliances with other financial service companies, such as the insurance companies and mortgage credit associations," said Mr Soerensen. "The final element is to become stronger abroad than was possible for the two banks separately."

This means that the subsid-

ary in Luxembourg, London and New York will be merged, although no formal decisions have yet been taken.

There is considerable scope for rationalisation in the domestic market. The two banks have said they expect to reduce employment, now about 12,000, by about 10 per cent in the next two to three years and between 50 and 100 of the banks' 650 branches will disappear.

But Mr Soerensen did not see further staff reductions. "We think we are sufficiently attractive to be built for growth, and if we can slim the staff over the next two years by about 1,000 we shall have a productivity which more than matches any other Danish bank," he said.

Taking the best from both banks - and appointing the best people regardless of which bank they came from - will be

the principle on which the merger is carried out. This means, for example, that Handelsbank's de-concentration into regional centres will not be perpetuated, but its concept of developing selected banks as "business centres" will be taken over.

The computer systems of both banks are IBM-based, but the solutions are inevitably different. Getting the systems to mesh is one of the crucial tasks which faces the banks. "We must be stable on the data processing side, otherwise we shall lose business to competitors," said Mr Soerensen.

The other point which the two chief executives emphasise is that the process of merging must not be allowed to slow down the bank's business tempo. Winning business must take highest priority.

Mr Hansen admitted in a moment of indiscretion that after a tough day at the bank he likes to relax with Herge's "Tin-Tin". There are a lot of other bankers in Copenhagen, green with envy, who echo Captain Haddock's favourite exclamation, *Mille sabords!* when they heard the news of the merger.

Mr Soerensen's favoured bedtime reading is biography. Historians can have fun deciding which was the greater source of inspiration for the creation of the new bank, "Tin-Tin" or history's great personages - and Den Danske runs a risk of becoming known as the bank which is run by Captain Haddock and Knud the Great. *Mille mille sabords!*

## Capital Radio surges by 62%

By John Riddling in London

CAPITAL RADIO, the UK's largest commercial radio company, continued its record of strong profits growth with pre-tax figures of £15.04m (£33.4m) for the year to end-September, an increase of 62 per cent.

Yesterday's results showed the continued buoyancy of the sector during the period, but a warning that advertising growth rates were now slowing down prompted Capital's shares to fall sharply from 1.013p to 973p.

Sir Richard Attenborough, chairman, said that the main source of the improvement during the period was the strength of advertising for Capital Radio, the company's flagship station, which increased revenues by 18 per cent over the period.

Since the end of June, how-

ever, Capital has seen a slow-down in revenue growth, particularly from the retailing sector which has been hit by the effects of increased UK interest rates.

As a result, Capital does not expect the high revenue growth rates experienced over the last two years to be sustained over the next few months but said that in the longer term there remained "a considerable upside to radio advertising."

Capital said it will be "giving serious consideration" to bidding for one of the new national commercial radio franchises proposed under legislation to be discussed in the current parliamentary session. But it said it was "not yet convinced that the new broadcasting bill will afford us all the

scope we would wish for expansion."

In particular, Capital would like to see market share restrictions defined in terms of total advertising revenues or total audience instead of the IBA's current system of total potential audience coverage. Under the present criteria, Capital's London base means it automatically reaches the limits on ownership of stations.

Turnover for the period as a whole increased from £30.45m to £36.57m and earnings per share rose to 62.1p (37.2p). The final dividend is doubled again, to 12p, giving a total of 18p (10p).

The company has proposed a share split, sub-dividing each ordinary share of 10p into four ordinary shares of 2.5p each, to improve marketability.

## Bührmann registers strong growth

By Our Financial Staff

BUHRMANN-TETTERODE, the largest Dutch packaging products manufacturer, boosted its net profit in the first nine months of 1989 by 35.7 per cent to F1132.3m (\$66.1m) from F197.5m a year earlier.

Earnings per share rose 14.8 per cent to F14.18 from F13.64

a year earlier when there were 18 per cent fewer shares outstanding than at present.

Sales rose 16.1 per cent to F13.78bn from F13.26bn a year earlier, and by 13.8 per cent if acquisitions and disposals are ignored. The rise reflected strong underlying business trends.

Bührmann said it had "progressed well" in the third quarter. It said the capital goods division that manufactures graphic equipment, business automation systems and other speciality machinery experienced "strong demand" from customers, especially in the graphics sector.



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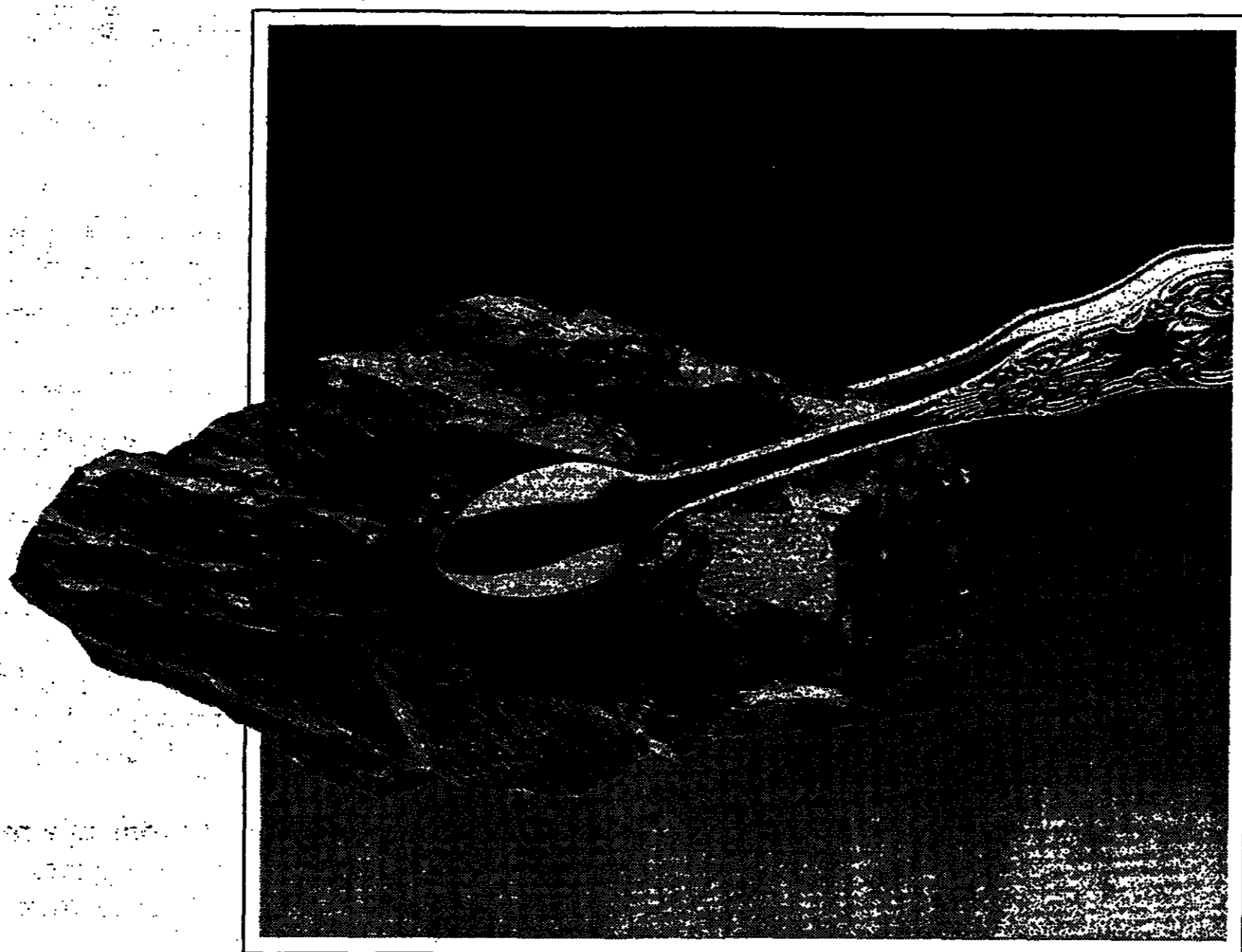
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For more information write to British Coal Industrial Sales Branch, Hobart House, Grosvenor Place, London SW1X 7AE, or ring 01-235 2020.

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00003	00103	00201	00294	00384	00459	00518	00599	00767	00829	00902
00016	00112	00211	00298	00388	00462	00521	00602	00770	00832	00905
00029	00125	00223	00310	00400	00474	00533	00614	00782	00844	00917
00042	00138	00236	00323	00413	00487	00546	00627	00795	00857	00930
00055	00151	00249	00336	00426	00500	00559	00640	00808	00870	00943
00068	00167	00265	00352	00442	00516	00575	00656	00824	00886	00959
00081	00183	00281	00368	00458	00532	00591	00672	00840	00902	00975
00094	00199	00297	00384	00474	00548	00607	00688	00856	00918	00991
00107	00209	00307	00394	00484	00558	00617	00698	00866	00928	01001
00120	00222	00320	00407	00497	00571	00630	00711	00879	00941	01014
00133	00235	00333	00420	00510	00584	00643	00724	00892	00954	01027
00146	00248	00346	00433	00523	00597	00656	00737	00905	00967	01040
00159	00261	00359	00446	00536	00610	00669	00750	00918	00980	01053
00172	00274	00372	00459	00549	00623	00682	00763	00931	00993	01066
00185	00287	00385	00472	00562	00636	00695	00776	00944	01006	01079
00198	00300	00398	00485	00575	00649	00708	00789	00957	01019	01092
00211	00313	00411	00498	00588	00662	00721	00802	00970	01032	01105
00224	00326	00424	00511	00601	00675	00734	00815	00983	01045	01118
00237	00339	00437	00524	00614	00688	00747	00828	00996	01058	01131
00250	00352	00450	00537	00627	00701	00760	00841	01009	01071	01144
00263	00365	00463	00550	00640	00714	00773	00854	01022	01084	01157
00276	00378	00476	00563	00653	00727	00786	00867	01035	01097	01170
00289	00391	00489	00576	00666	00740	00799	00880	01048	01110	01183
00302	00403	00501	00588	00678	00752	00811	00892	01060	01122	01195
00315	00416	00514	00601	00691	00765	00824	00905	01073	01135	01208
00328	00429	00527	00614	00704	00778	00837	00918	01086	01148	01221
00341	00442	00540	00627	00717	00791	00850	00931	01099	01161	01234
00354	00455	00553	00640	00730	00804	00863	00944	01112	01174	01247
00367	00468	00566	00653	00743	00817	00876	00957	01125	01187	01260
00380	00481	00579	00666	00756	00830	00889	00970	01138	01200	01273
00393	00494	00592	00679	00769	00843	00902	00983	01151	01213	01286
00406	00507	00605	00692	00782	00856	00915	00996	01164	01226	01299
00419	00520	00618	00705	00795	00869	00928	01009	01177	01239	01312
00432	00533	00631	00718	00808	00882	00941	01022	01190	01252	01325
00445	00546	00644	00731	00821	00895	00954	01035	01203	01265	01338
00458	00559	00657	00744	00834	00908	00967	01048	01216	01278	01351
00471	00572	00670	00757	00847	00921	00980	01061	01229	01291	01364
00484	00585	00683	00770	00860	00934	00993	01074	01242	01304	01377
00497	00598	00696	00783	00873	00947	01006	01087	01255	01317	01390
00510	00611	00709	00796	00886	00960	01019	01100	01268	01330	01403
00523	00624	00722	00809	00899	00973	01032	01113	01281	01343	01416
00536	00637	00735	00822	00912	00986	01045	01126	01294	01356	01429
00549	00650	00748	00835	00925	01009	01068	01149	01317	01379	01452
00562	00663	00761	00848	00938	01012	01071	01152	01320	01382	01455
00575	00676	00774	00861	00951	01025	01084	01165	01333	01395	01468
00588	00689	00787	00874	00964	01038	01097	01178	01346	01408	01481
00601	00702	00800	00887	00977	01051	01110	01191	01359	01421	01494
00614	00715	00813	00900	00990	01064	01123	01204	01372	01434	01507
00627	00728	00826	00913	01003	01077	01136	01217	01385	01447	01520
00640	00741	00839	00926	01016	01090	01149	01230	01398	01460	01533
00653	00754	00852	00939	01029	01103	01162	01243	01411	01473	01546
00666	00767	00865	00952	01042	01116	01175	01256	01424	01486	01559
00679	00780	00878	00965	01055	01129	01188	01269	01437	01499	01572
00692	00793	00891	00978	01068	01142	01201	01282	01450	01512	01585
00705	00806	00904	00991	01081	01155	01214	01295	01463	01525	01598
00718	00819	00917	01004	01094	01168	01227	01308	01476	01538	01611
00731	00832	00930	01017	01107	01181	01240	01321	01489	01551	01624
00744	00845	00943	01030	01120	01194	01253	01334	01502	01564	01637
00757	00858	00956	01043	01133	01207	01266	01347	01515	01577	01650
00770	00871	00969	01056	01146	01220	01279	01360	01528	01590	01663
00783	00884	00982	01069	01159	01233	01292	01373	01541	01603	01676
00796	00897	00995	01082	01172	01246	01305	01386	01554	01616	01689
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00822	00923	01021	01108	01198	01272	01331	01412	01580	01642	01715
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00900	01001	01099	01186	01276	01350	01409	01490	01658	01720	01793
00913	01014	01112	01199	01289	01363	01422	01503	01671	01733	01806
00926	01027	01125	01212	01302	01376	01435	01516	01684	01746	01819
00939	01040	01138	01225	01315	01389	01448	01529	01697	01759	01832
00952	01053	01151	01238	01328	01402	01461	01542	01709	01771	01844
00965	01066	01164	01251	01341	01415	01474	01555	01719	01781	01854
00978	01079	01177	01264	01354	01428	01487	01568	01729	01791	01864
00991	01092	01190	01277	01367	01441	01500	01581	01739	01801	01874
01004	01105	01203	01290	01380	01454	01513	01594	01751	01813	01886
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01030	01131	01229	01316	01406	01480	01539	01620	01775	01837	01910
01043	01144	01242	01329	01419	01493	01552	01633	01787	01849	01923
01056	01157	01255	01342	01432	01506	01565	01646	01800	01862	01936
01069	01170	01268	01355	01445	01519	01578	01659	01812	01874	01947
01082	01183	01281	01368	01458	01532	01591	01672	01824	01886	01959
01095	01196	01294	01381	01471	01545	01604	01685	01836	01898	01971
01108	01209	01307	01394	01484	01558	01617	01698	01848	01910	01983
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01173	01270	01368	01455	01545	01619	01678	01759	01906	01968	02041
01186	01281	01379	01466	01556	01630	01689	01770	01917	01979	02052
01199	01292	01390	01477	01567	01641	01700	01781	01927	01989	02062
01212	01303	01401	01488	01578	01652	01711	01792	01937	02000	02073
01225	01316	01414	01501	01591	01665	01724	01805	01949	02012	02085
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01251	01342	01440	01527	01617	01691	01750	01831	01974	02037	02110
01264	01355	01453	01540	01630	01704	01763	01844	01987	02050	02123
01277	01368	01466	01553	01643	01717	01776	01857	02000	02062	02135
01290	01381	01479	01566	01656	01730	01789	01870	02012	02075	02148
01303	01394	01492	01579	01669	01743	01802	01883	02024	02087	02161
01316	01407	01505	01592	01682						

INTERNATIONAL COMPANIES AND FINANCE

Anglo American aided by rise in investment income

By Jim Jones in Johannesburg

IMPROVED REVENUES from coal, platinum, diamonds and base metals combined to lift the profits of Anglo American Corporation, South Africa's largest mining group...

The directors caution that earnings will grow more slowly in the second half than in the first, basing this estimate in part on the deteriorating profitability of the gold mining industry.

man, warned earlier this year, however, that new mining techniques and productivity advances were needed if new gold mines are to be viable.

Higher costs and interest hit Usko results

By Jim Jones in Johannesburg

USKO, the South African steel maker formerly named Union Steel, lifted sales by a quarter in the year to September 30 but was adversely affected by higher interest charges.

profitability, although the non-ferrous metals division, which markets copper products, realised a satisfactory income.

per prices and better agricultural demand for phosphate fertilisers.

in the large open-cast mine managed by RTZ's Palabora company. The phosphate is sold to local fertiliser producers for export and local sales.

abandoned plans to bid for Bond Corporation Holdings, Australian brewing assets, according to local media reports.

Indian cement group sells off process plants

By R.C. Murthy in Bombay

ASSOCIATED CEMENT Companies (ACC), India's largest cement group, is selling its inefficient assets as part of a drive to bring its profitability back in line with that of its competitors.

First-half profits tumble at Harrison's Plantations

By Lim Siong Hoon in Kuala Lumpur

HARRISON'S Malaysian Plantations, the primary commodity group, reported a 45 per cent fall in first-half pre-tax profit to 60m ringgit (US\$22m) from 108m ringgit because of a slump in commodity prices.

by more than half, from 9.5 cents to 4.3 cents.

The company has reached an agreement with the Calcutta-based HMP Group to sell four of its wet process cement plants at an undisclosed price.

Daido seeks HK listing

By John Elliott in Hong Kong

DAIDO CONCRETE has this week become the second Japanese-owned company to seek a listing on Hong Kong's stock exchange.

a recipient of Japanese investment statistics show that investment in the colony by companies from Japan last year amounted to US\$1.66bn, up from US\$1.07bn in 1987.

Notice of Partial Redemption to the Holders of Compagnie des Bauxites de Guinee U.S. \$30,000,000 8% Guaranteed Bonds Due 1990

NOTICE IS HEREBY GIVEN that pursuant to Section 5.01 of the Indenture dated December 31, 1972, the Company will redeem U.S. \$3,000,000 principal amount of the 8% Guaranteed Bonds due 1990 at 100% of the principal amount...

Table with multiple columns of bond serial numbers and principal amounts for partial redemption.

Advertisement for Bear Stearns featuring the text '\$60,000,000 Millicom Incorporated 7 3/4% Subordinated Exchangeable Debentures Due 2014'.

LEGAL NOTICE CORPORATION OF FOREIGN BONDHOLDERS (In Liquidation) On 16th October 1989 I was appointed liquidator of the Corporation of Foreign Bondholders.

Bankers Trust Company, London Agent Bank. Repayment of the principal amount will be paid to Bondholders on December 29, 1989, against presentation of the bonds with all coupons appertaining thereto after the date fixed for redemption...

FINANCIAL TIMES

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AFRICAN DEVELOPMENT BANK Japanese Yen 20,000,000 5% Japanese Yen Subordinated Special Bonds due November 17th, 1999 First Offering (1989) ISSUE PRICE 100.30 PER CENT. The Nikko Securities Co., Ltd. Daiwa Securities Co., Ltd. The Nomura Securities Co., Ltd. Yamaichi Securities Company, Limited New Japan Securities Co., Ltd. Kokusai Securities Co., Ltd. The Nippon Kangyo Kakumaru Securities Co., Ltd. Sanyo Securities Co., Ltd. Tokyo Securities Co., Ltd. Cosmo Securities Co., Ltd. CS First Boston (Japan) Limited, Tokyo Branch Dai-ichi Securities Co., Ltd. DB Capital Markets (Asia) Limited, Tokyo Branch DG SECURITIES Tokyo Branch of DG BANK Kidder, Peabody International Corporation, Tokyo Branch Marusan Securities Co., Ltd. Merrill Lynch Japan Incorporated, Tokyo Branch J.P. Morgan Securities Asia Ltd. Okasan Securities Co., Ltd. Salomon Brothers Asia Limited, Tokyo Branch Taiheyo Securities Co., Ltd. Universal Securities Co., Ltd. Wako Securities Co., Ltd. S.G. Warburg Securities (Japan) Inc. Yamatane Securities Co., Ltd.

INTERNATIONAL CAPITAL MARKETS

Report suggests wider role for the Stockholm bourse

By John Burton in Stockholm

A GOVERNMENT committee has recommended that the Stockholm Stock Exchange be allowed to expand its activity to include the trading of options and debentures. It also proposes tougher rules on insider trading to bring Sweden closer to EC practices, while deciding that the securities markets should remain largely self-regulated. The proposals are contained in a 1,100-page report by the Securities Market Committee, which was established in 1987 to review the operations of Sweden's securities markets in the wake of several insider trading scandals in the mid-1980s. The report also reflects concern that rules governing the securities markets are becoming outdated compared to the rest of Europe. However, the proposals, which could take effect in 1991 after approval by Parliament, are not expected to lead to many far-reaching changes. The committee, for example, said the Stockholm Stock Exchange's legal monopoly on share trading should be abolished, but added that it saw no need for a second bourse in Sweden. This was the only

main issue that saw a split between the non-Socialist panel members, who favour regional bourses, and the ruling Social Democrats. "In practice, the recommendation means that the Stock Exchange's monopoly will stay in existence," said one official of the Federation of Swedish Industries. In addition, allowing the bourse to expand its activity to option and debenture trading could strengthen it at the expense of such rival securities markets as the Stockholm Options Market. In discussing insider trading, the committee said Sweden should adopt rules similar to those contained in the EC directive on the issue. Company directors and large shareholders are now the only persons subject to insider trading laws in Sweden. The committee would broaden the law's application to a wider circle of people, such as government officials and journalists, who could be privy to inside information. It also urged that a "short-swing" rule, which is not included in the EC directive, be applied to company executives. This would penalise executives

who bought and sold shares in their own company within a six-month period by requiring that any profit from the deal be returned to the company. The committee expressed general satisfaction with the two self-regulatory bodies that police securities markets. It said they should play an important role in the future development of the markets, although there should be closer co-operation between the boards and government bodies, such as the Central Bank and the Bank Inspection Board, on regulation. It also suggested that a new regulatory committee be established to examine possible breaches of the contracts governing the listing of companies on the Stockholm bourse. This is now the function of the board of directors of the bourse. The board will be given the power to approve the share prices of new issues. More information will be demanded for companies listed on the OTC market. The Securities Register Centre will also release more details about the ownership structure of listed companies by publishing a monthly list of share owners.

S Korean strategy revealed by bond

By Maggie Ford in Seoul

WHEN STC Corporation, a South Korean flexible packaging maker, decided that it wanted to launch a convertible Eurobond to finance an overseas expansion, it jumped to the head of the queue. Although many bigger and better-known companies had applied unsuccessfully to the Ministry of Finance for permission to raise money abroad, STC's proposal was quickly approved. The reasons why give a clue to the future economic strategy of South Korea. Two clear themes are evident, specialisation and internationalisation. The STC \$30m convertible bond is to be launched next week in London, lead managed by Credit Suisse First Boston, Corgo Securities and Hambroh Securities. The strategy behind it has many aspects in common with the highly successful bond with warrant launched by Sammi Steel, the specialty steelmaker earlier this year. Sammi, formerly a diversified heavy engineering, had restructured its business in the early 1980s, concentrating mainly on specialty steel. It used the money raised to acquire the specialty steel subsidiaries of the Canadian company Rio Algom, the first important overseas acquisition by a South Korean company. The deal made Sammi the world's largest specialty steelmaker. STC is already one of the world's largest makers of flexible packaging film, used for food wrapping and other consumer product packaging, and has 32 per cent of the fast-growing South Korean market. The company was set up in 1964 as a trading company and acquired a cellophane manufacturing company in 1971, thus beginning its specialisation in flexible packaging. The company is to use the proceeds of its convertible bond to set up a new factory in the Philippines and either to acquire or to build from scratch a plant in the US. The \$20m Philippine plant will make biaxially oriented polypropylene (BOPP) and cast polypropylene (CPP) with a capacity of 18,000 metric tonnes to add to STC's South Korean capacity of 70,000 metric tonnes. The US venture, for which \$10m has been allocated, along with retained earnings if necessary, is to produce industrial packaging tape, used to seal boxes. STC's sales last year were Won130bn (\$178m) compared with Won149bn in 1987 and net profits dipped to Won3.5bn from Won3.8bn, mostly because the strength of the Won-hit export business. This year sales are expected to slip to Won120bn as a result of labour dispute. The outlook for 1990 is more promising, however, says STC. The STC convertible bond is expected to be priced at a coupon of 14 to 15 per cent, with a conversion premium of 90 to 100 per cent. The bonds will be convertible into non-voting shares on the Korean stock market after 18 months. The Ministry of Finance has indicated that bond holders will have preference in entering the stock market, which is due to open to foreign investors in 1992, albeit with restrictions.

Rousselle concentrates on SE post

By George Graham in Paris

MR Régis Rousselle is to give up the chairmanship of the stockbroking firm of Meeschaert-Rousselle in order to concentrate full time on his role as chairman of the French stock exchange. Mr Rousselle will be succeeded at Meeschaert-Rousselle, now a subsidiary of the AXA-Midi insurance group, by Mr Gérard de la Martinière, the

architect of the success of the Matif financial futures exchange before taking over as chief executive of the stock exchange in 1988. He and Mr Rousselle took over together as a new team after the resignation of the previous chairman and chief executive, after the stock exchange reserve funds had incurred heavy losses in uncovered

financial market speculation. Mr Rousselle said that it had become impossible to devote enough time to both roles, and he had asked to be released. "Juridically, you are allowed to combine the two posts, but physically, it is not possible," he said, adding that he would now be able to concentrate full time on modernising and promoting the Bourse.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on November 23

Table with columns for US DOLLAR, YEN STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE, and FLOATING RATE. Includes bond names, yields, and prices.

NZ meeting over margin call default

JORDAN Sandman Futures met with the board of the New Zealand Futures Exchange yesterday to present a plan for the company's re-entry to the futures market. Reuters reports. The futures trader, part of the Jordan Sandman Ware group, was suspended this week when unidentified clients failed to meet a margin call on a bond futures contract. Jordan Sandman Futures said its proposals contain an undertaking for the payment of all outstanding commitments, which it calculates to be worth NZ\$6.7m (\$3.4m). On Wednesday, Mr Colin Gibney, managing director of Jordan Sandman Ware said one of Jordan Sandman Futures' clients failed to meet a NZ\$5.6m margin call on a government bond futures contract. GT Management, the UK based fund management group which is part of Bank in Liechtenstein, issued a disclaimer saying that its name had been used fraudulently in the placement of futures business in New Zealand. At the same time Bain Refco Commodities, which is 70 per cent owned by Australian investment bank Bain and Co, said it was reconsidering plans to join the New Zealand Futures Exchange. Bain and Co is jointly owned by Deutsche Bank and Refco of the US.

INTERNATIONAL CAPITAL MARKETS

Upward trend in German bond and Ecu markets

By Andrew Freeman

THE illusion of busy new issue activity was created on the Eurobond market yesterday, with several deals emerging despite holidays in Japan and the US. However, most of the issues launched were largely pre-placed or aimed at specific demand, leaving syndicate managers barely stretched.

had supplied the bulk of steady sales. Nomura International was the lead manager of two chunky dollar deals aimed at Tokyo investors wanting a call option on the gold price.

investors looking for a liquidity pick-up when the deal becomes fungible with an existing \$150m issue. In Germany, the improved tone saw prices gain up to 1/2 point, with active trading in recent issues. The EIB 7 1/2 per cent DM400m deal gained 80 pfennigs to 99.65 bid.

INTERNATIONAL BONDS

were swapped into floating-rate funds. Kidder Peabody launched a two-tranche deal totalling \$125m for Top Finance II. The bonds carried the guarantee of Financial Security Assurance, but were largely placed and were not trading actively.

was aimed at German retail accounts. In France, Societe Generale was the lead manager of a FF700m floating-rate issue for Nersa, the European nuclear energy group. The seven-year notes carried a yield of 11.2 per cent over three-month Fibor. The deal was placed by Societe Generale and institutional investors and the lead manager was quoting the paper at 99.85 bid, comfortably inside full 15 basis point fees.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount m, Coupon %, Price, Maturity, Fees, Book runner. Includes entries for US Dollars, ECU, French Francs, D-Mark, Yen.

Brazilian oil group to raise \$200m

PETROBRAS, the national oil monopoly, plans to raise \$200m through a sale of preferred stock on the local market, writes John Barkham from San Paulo.

sounder state companies. It carries little debt and reported a 15.6 per cent return on real net worth last year.

Meanwhile, Embraer, a state-owned aircraft manufacturer, announced yesterday that it has completed a \$100m conversion of foreign debt into equity by six foreign banks.

Germany's big banks tap into the wealthy Haig Simonian on the way bankers earmark their more up-market private clients

Germany's biggest PRIVATE BANKS

FEW Europeans have more money than the West Germans. Not only does the average German tend to earn more than most of his European counterparts, he also saves much more diligently.

raised its 51 per cent stake in Aufhäuser, another Munich-based private bank, to over 90 per cent. "We're talking about clients with fortunes upwards of DM5m, and possibly upwards of DM10m, who don't really want to go to a big bank for their financial services," says one Deutsche Bank executive.

Table titled 'GERMANY'S BIGGEST PRIVATE BANKS' showing Total assets, end-88 (DMbn) for various banks like Berliner Handelsbank, Frankfurter Bank, etc.

to run their new operations. Such individuals have tended to flee big financial institutions, but many may have been trained - in favour of more entrepreneurial, risk-orientated companies, like the Matuschuh group in Munich.

which has total assets of DM129m, operates as a normal bank, albeit restricted to its immediate region. Last year, it contributed DM1.79m to Commerzbank's group profits.

Trade figure boost for gilts

By Deborah Hargreaves in London

THE UK Government bond market received a flip yesterday from the better-than-expected trade figures which led to a thin market upwards.

England's sterling index closed at 87.0 after Wednesday's close of 87.1. For part of the day trading was led by an active futures market where around 16,000 contracts changed hands.

during the German public holiday. The 7 1/2 per cent bond rose to 98.65 with a yield of 7.32 per cent after a close of 97.90 on Tuesday. Most of the activity was created by professional investors.

BENCHMARK GOVERNMENT BONDS

Table with columns: Country, Coupon, Red Date, Price, Change, Yield, Week ago, Month ago. Lists bonds for UK GILTS, US TREASURY, JAPAN, GERMANY, FRANCE, CANADA, NETHERLANDS, AUSTRALIA.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Large table showing EQUITY GROUPS & SUB-SECTIONS with columns for Index, Day's Change, Est. Earnings, etc. Includes categories like CAPITAL GOODS, BUILDING MATERIALS, etc.

FIXED INTEREST

Table showing AVERAGE GROSS REDEMPTION YIELDS for various maturities (1 to 15 years) and preference shares.

RISES AND FALLS YESTERDAY

Table showing Rises, Falls, Same for various categories like British Funds, Corporations, etc.

LONDON RECENT ISSUES

Table listing EQUITIES and FIXED INTEREST STOCKS with columns for Issue, Amount, Latest, etc.

RIGHTS OFFERS

Table listing RIGHTS OFFERS with columns for Issue, Amount, Latest, etc.

TRADITIONAL OPTIONS

First Dealings, Last Dealings, Last Declarations, For settlement.

LONDON TRADED OPTIONS

Large table showing LONDON TRADED OPTIONS for various indices like FT-SE 100, DAX, etc., with columns for Calls, Puts, etc.

UK COMPANY NEWS

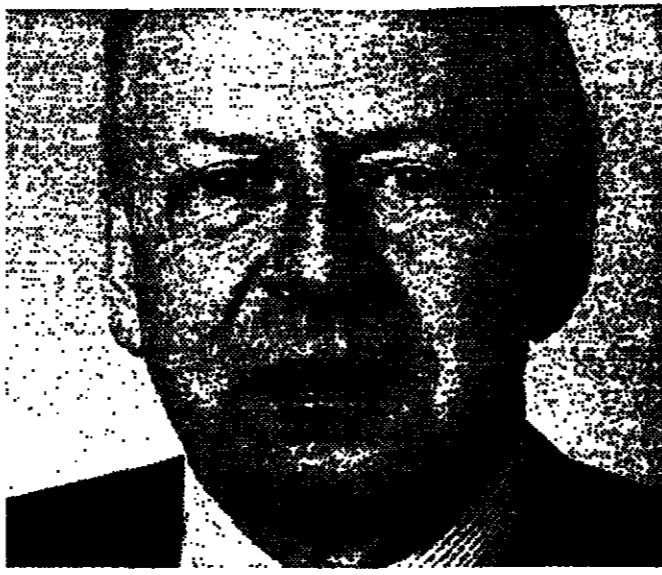
Shareholders advised to reject Richemont bid as results come in ahead of forecasts Rothmans advances 21% to top £189m

By Nikki Tait

ROTHMANS International, the tobacco and luxury goods group, yesterday announced a 21.4 per cent increase in pre-tax profits in the six months to end-September at £189.1m.

24.9 per cent voting interest held by Philip Morris and, as a result has made a full offer to shareholders. The consideration, however, is in unlisted loan notes valued at well below the current Rothmans price.

profits rise comes from favourable currency movements. Net interest earned added £22.7m (£12.3m) to the pre-tax total. Net liquid funds at end-September were £480.7m (£454m).



David Montagu: there were quite a lot of plans for spending on the core business but nothing in mind regarding acquisitions

invented a substantial increase in interim profits yesterday. The pre-tax figure rose from £70.5m to £95.1m in the six

Pennant subsidiary files for Chapter 11

By Ray Bashford

PENNANT PROPERTIES, the Australian-controlled international development company, yesterday announced that Bay Financial, the Boston-based property group in which it has a 66.3 per cent stake, is seeking protection from its creditors under Chapter 11.

SAUR increases its stake in two private water companies

By Andrew Hill

SAUR WATER SERVICES, a subsidiary of Bouygues, the French construction group, has increased its stake in two private UK water companies, Mid Kent Holdings and Rickmansworth Water.

Water's region, would be more likely to concentrate on operating subsidiaries in the UK rather than making passive investments. SAUR is already involved in two waste disposal joint ventures, with Southern and Welsh Water.

Blue Chip Systems snapped up for a snip by Ferrari Holdings

By Alan Cane

FERRARI HOLDINGS, the computer group backed by Singer & Friedlander, the merchant bank, has acquired for a small sum a company specialising in computer systems for estate agents.

strategy since it reversed into Cifer, a troubled terminal maker, earlier this year. Two weeks ago it bought a 29.8 per cent stake in Telecomputing, a mainframe software company, for £1.21m.

steady pattern of growth with sales of £4.8m and net profits of £294,000 in 1988/89. In the current year, however, the market for the estate agent systems, which comprised 80 per cent of the company's business, had vanished.

British Gas venturing into the US oil market

By Steven Butler

BRITISH GAS yesterday said it was about to sign two joint venture agreements worth \$70m that would take it for the first time into oil exploration and production in the US.

broader expansion in the US in which British Gas would assume ownership of exploration assets. Mr Robert Evans, chairman, said he also hoped to sign contracts early next year for gas production, supply and transmission in India, including development of gas supplies for New Delhi, and power generation plants. Contracts involved in the India work could total £1.5bn, and British Gas has offered to take an equity stake in some of the projects.

Strong all-round activity gives Chancery 33% rise

By David Lascelles, Banking Editor

CHANCERY, the banking and financial services group, reported pre-tax profits of £3.8m for the six months to September 30. This was an increase of 33 per cent over the corresponding period a year earlier.

of £1.4m to Kentish Properties, the troubled Docklands developer, but had recovered all of this sum. Chancery's activities in financial and advisory services, corporate services which included Business Expansion Schemes, and stockbroking all made progress, reported Mr Cohen.

US courts bar USH disposal

By Nikki Tait

THE US courts have ruled that an order restraining United Scientific Holdings' proposed disposal of Optic Electronic Corporation to US-based Ico Industries should continue.

would attempt to find another buyer for OEC. Asked how confident he was of finding a suitable purchaser, Mr Prest commented: "There's always a buyer, but it's obviously price-related."

of night sights. The proposed sale was blocked by the Federal Trade Commission in late October, about a month after Meggitt first launched its bid for USH, and the temporary restraining order granted.

Bexbuild ahead 52%

BEXBUILD Developments, the property trader and developer launched in 1984 under the Business Expansion Scheme and which this month came to the USM via an introduction, increased pre-tax profits by 52 per cent from £25,000 to £129,000 in the six months to September 30.

plus of £155,000 on the sale of Harvester House, an investment property. There has been no comparable sales of investment properties in the current year. The directors pointed out that the results did not include any contribution from Newby Properties and Sprygrade Properties, acquired in August.

Amercoeur rights issue

AMERCOEUR ENERGY is to raise up to £365,000 net through a rights issue of up to 19.74m new ordinary shares.

issue price represents an 80 per cent discount to the market. Undertakings to take up their entitlement have been obtained from shareholders representing 41.8 per cent of the equity.

Third Market for Biocure with £2m placing

By Vanessa Houldier

BIOCURE HOLDINGS, a medical research company, is joining the Third Market in a placing that will raise £2m. It is the latest addition to a clutch of medical research companies on the Third Market. They include Medforce, which is working on a treatment for AIDS and cancer; ML Laboratories, working on a treatment for kidney failure; and Haemocell, which makes equipment to filter patients' blood during surgery.

BOARD MEETINGS

Table with columns: Company Name, Date, and Details of meetings for various companies like Black Arrow, Boots, Capital Radio, etc.

TOWN & COUNTRY BUILDING SOCIETY £75,000,000 Uncommitted Cash Advance Tender Panel Facility Arranged by J. Henry Schroder Wagg & Co. Limited

AMP offers immediate exchange of loan notes for Pearl Group shares

By Ray Bashford

AUSTRALIAN Mutual Provident is breaking new ground in takeover practice by offering shareholders in Pearl Group - which is facing a £1.24bn hostile takeover offer from the Australian company - the opportunity to receive immediately loan notes as an alternative to the cash offer.

loan notes to those included in the revised bid announced last week. Shareholders in the UK life assurance company will be able to exchange their stock for loan notes on the presentation of their share certificates rather than wait for the bid to go unopposed.

following share market purchases at the revised 60p offer price. AMP launched its revised bid already holding 18 per cent of Pearl's capital. A market raid on Thursday last week, immediately after the offer was increased from 60p, netted the company a further 20 per cent, and since then it has succeeded in buying a further 1.82 per cent of the shares.

COMPANY NEWS IN BRIEF

APRICOT COMPUTERS: Singer & Friedlander Investment Management has, on behalf of a discretionary client, sold 4.770 ordinary shares of the disposal, S&F owns 10.732m (14.82 per cent) for its own account and 173,000 (0.24 per cent) held for discretionary and non-discretionary clients by S&F Investment Management.

POWELL DUFFRYN Interim Results 1988/89 'Well balanced for the future' Half year ended 30th September 1989 Year ended 31st March 1989 Profit before tax £13.2m £13.5m £33.9m

UK COMPANY NEWS

# Hot summer knocks Calor back to £8m

By Peter Berlin

THE SUNNIEST summer for more than a century provided only gloom for Calor Group, the liquid petroleum gas supplier. Its pre-tax profits in the six months to September 30 tumbled from £11.6m to £8m.

While turnover rose slightly to £118.7m (£117.5m), earnings fell from 4.7p to 3.2p per share. However the interim dividend is unchanged at 6p.

This will be the last time Calor reports results at this time of year. It is switching to a December 31 year-end and will report nine-month figures in March.

Mr Michael Davies, chairman, said that Calor had suffered this time because "the

mildest winter in living memory had been followed by a long dry summer".

Mr David Mitchell, chief executive, said that the increase in turnover at a time when profits were falling was due to proceeds of gas trading without which turnover would have been 1 to 2 per cent lower than in 1988 and that the warm summer had meant there was a different mix in consumer gas sales.

Calor had sold proportionally less butane and more propane. Butane, which tends to be sold to domestic consumers in bottles, offers a higher margin. Demand from the industrial sector for gas had held up, said Mr Mitchell.

He said the dividend had not increased because "you must make money before you pay it".

Calor has also suffered, he said, because the warm weather and high interest rates had depressed demand for the fitting of central heating systems.

The company undertook only 5,000 conversions of houses to LPG central heating, down from 10,000 last time. Quite apart from the effect on Calor's conversion business, this also meant a downturn in the rate of growth of the LPG customer base.

The company had not suffered from the heightened awareness of environmental

concerns, Mr Mitchell maintained.

Calor had been doing work on LPG-powered forklift trucks, he explained. Because of the low level of exhaust fumes, these can compete with electric vehicles in the market for loading food in enclosed areas.

Mr Mitchell added that bottled butane was a far more efficient energy source for providing household heat than was electricity.

COMMENT

The downturn in profits at Calor hardly came as a surprise. What sent a shiver through the City, and prompted analysts to down-

grade forecasts, was Calor's failure to increase the dividend. It might be that Calor believes it made a mistake last year when it lifted its dividend half a penny to 6p, thereby cutting dividend cover from 1.7 to 1.4. On the other hand it may be that the low dividend is the company's way of signalling chilly times ahead. Forecasting profits for Calor is as difficult as forecasting the weather a year ahead. Analysts differ widely, but 1989 profits after tax of less than £25m or a further dividend below 9p would disappoint. A meaningful p/e ratio is not possible for the year; however, taking a post-tax profit of £55m for 1989 gives an eps of 33p and a p/e of 13.

# Willaire takes three Ladbroke companies

Vanesa Houlder

WILLAIRE GROUP, the environmental protection and electronics company, is to pay £8.65m for three companies that were formerly part of Thomson T-Line, the industrial holding company bought in February by Ladbroke Group, the international leisure company.

Willaire also announced a £5.2m rights issue to finance the cash element of the bid and reduce borrowings.

Willaire is buying P&F (Kadcliffe), which makes fume cabinets and extraction systems, for £5.88m; Cynest, a maker of laboratory and hospital furniture, for £50,000; and BATS, a computer systems and maintenance company, for £2.7m.

The sale is part of Ladbroke's strategy of disposing of the industrial interests of T-Line, leaving the Vernons football pool business.

For Willaire, the acquisitions are expected to help it build a broad portfolio of products and services for the environmental protection market.

Pre-tax profits of P&F for the 17 months to April 30 were £245,000. In the year to March 31, BATS made £185,000.

# Classic seeks £2m to improve form

By Jane Fuller

THE DISAPPOINTING form of its racehorses has led Classic Thoroughbreds to seek a further £2m (£1.85m) through a rights issue.

The money will be spent partly on the purchase of yearlings and partly on training the two and three-year-olds which it is hoped will do better than their predecessors next season.

The Dublin-based company's directors include Mr Robert Sangster, leading racehorse owner four times in the seven years to 1983, company chairman Mr Vincent O'Brien, the trainer whose Derby winners include Sir Ivor, Nijinsky and The Minstrel, and Mr Michael Smurfit, chairman of the paper and packaging group Jefferson Smurfit.

But in spite of the illustrious names, it has been an uphill gallop to buy top class horses in a market dominated by Arab buyers, notably the Maktoum family of Dubai.

This year 30 of the company's horses raced, but although they notched up 20 wins and 18 places, this amassed little more than £123,000 in prize money. The big hopes for the classic races - Saratoga, Classic Fame and Puisseance - either failed to live up to their promise or had injuries.

It was hoped that this year's batch of more than 30 three-

year-olds would sell on lucratively as breeding stallions, but they have turned out to be worth considerably less. The write down of their value has been expressed as an exceptional item of £5.2m, contributing to a pre-tax loss of £5.74m in the six months to June 30.

Since then, the company, which was floated on the Dublin stock exchange in October 1987, has spent about £2.6m on 21 yearlings, and it is estimated it will raise between £2m and £3m by selling three-year-olds.

The two-for-five issue involves the placing of 23.1m shares at 9p each. The directors own 40 per cent of the shares and have agreed to take up their full entitlement, which would raise £200,000.

Classic Thoroughbred's shares retained in by 1p yesterday to close at 11p.

# Vistec expands with £650,000 software buy

Vistec Group, the USM-quoted computer services and supplies company, has agreed to pay up to £650,000 for Loxton Business Systems, a Kent-based supplier of computer software systems and support services.

The initial consideration of £325,000 will be satisfied by the issue of 1.3m new ordinary shares at 25p each, representing some 12 per cent of Vistec's existing capital.

A further payment of up to £325,000, also to be satisfied by the issue of 1.3m shares at 25p, will be due on November 24 1990.

The vendors have undertaken not to dispose of the shares issued as the initial consideration until 12 months after the completion date.

They also agreed not to sell the further shares issued as the additional consideration until 12 months after their issue date.

The directors said that the acquisition would strengthen Vistec's position as a supplier of information technology systems to the financial services market.

Loxton made pre-tax profits of £30,000 from turnover of £582,000 in the year to end-September 1988 but in the 1989 year showed a loss of £16,000 on revenue of £569,000.

# Aukett purchases Lichfield in £2.6m deal

By Peter Berlin

AUKETT ASSOCIATES, the architecture, design and building management group, is to buy Nathaniel Lichfield and Partners, specialists in urban development, design and economics, in a deal worth a maximum £2.6m.

Aukett, floated on the stock market in 1988, will make an initial payment of £1.35m, of which £750,000 will be cash from a vendor placing of Aukett at 107p, and £600,000 will be in Aukett shares for the

vendors of which they may gift up to £40,000 to Nathaniel Lichfield staff. There will be further payments of £750,000 cash in December 1990 and up to £857,000 dependent on profits in the next two years.

In the year to June 30 Nathaniel Lichfield reported pre-tax profits of £378,000 on work done of £1.37m.

Mr Michael Aukett, chairman, said that Nathaniel Lichfield was the largest independent company of town

planners in the UK and that it offered his company a chance to expand into urban planning and renewal.

"Apart from Docklands, urban renewal has not been dealt with in the UK," said Mr Aukett. The acquisition would leave Aukett qualified to handle renewal and also environmental impact studies, which he said would become more important.

Mr Aukett said that the two companies had worked

together for seven years and that the acquisition followed nine months of negotiations. Mr Nathaniel Lichfield, the founder of the eponymous company, would be joining the board of Aukett, three Lichfield employees would join that company's board and all 36 of its staff, 19 of them planners, would be staying on, said Mr Aukett.

Mr Aukett said that in the long term the companies would probably merge on one site.

# TR Property nav up to 68.5p

TR PROPERTY Investment Trust saw continued growth in the six months to September 30, with net assets rising from £171.94m to £180.04m and net asset value increasing from 60.8p to 68.5p per share.

Earnings per share rose to 1.85p, compared to 0.89p at the same time last year. Net revenue was £3.45m (£2.58m).

Total income for the six months rose to £7m (£4.7m), largely due to increased dividend income and further progress in results from Trust Union Properties, the property trading subsidiary.

The interim dividend is increased from 0.35p to 0.6p.

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## THE BOOTS COMPANY PLC

# Record profits up 20.8%

### Record performance from Boots The Chemists

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#### INTERIM RESULTS

Results for the half year ended 30th September 1989 (unaudited)

	1989	1988	
Turnover (excluding VAT)	£1,424.1m	£1,262.4m	+12.8%
Pre-tax profit	£159.9m	£132.4m	+20.8%
Earnings per share	11.7p	9.8p	+19.4%
Interim dividend	3.85p	3.5p	+10.0%

#### BOOTS THE CHEMISTS DIVISION

- Outstanding performance with sales up 11.4% and profits up 29.2%, confirming the success of our high street retailing format.

#### RETAIL DIVISION


- Newly formed division, incorporating Halfords, Payless DIY and A.G. Stanley, Boots Opticians, Childrens World and the overseas retail operations.
- Optical outlets expanded by the purchase of Miller and Santhouse on 14th September.

#### PHARMACEUTICALS DIVISION

- Sales up 11.7% and profits up 6.1%.
- Continued success of our North American business resulted in sales up 22.8%.

#### PROPERTY DIVISION

- Skillful management of the Company's UK property portfolio generated profits up 19.9%.



THE BOOTS COMPANY PLC

The interim report will be posted to shareholders on 28th November 1989 and will be available from the Secretary of The Boots Company PLC, Nottingham NG2 3AA.

## Standard Chartered

### Standard Chartered PLC

(Incorporated with limited liability in England)

#### £150 million Subordinated Floating Rate Notes due 1996

In accordance with the provisions of the Notes, notice is hereby given that for the three month period from 22nd November 1989 to 22nd February 1990 the Notes will bear interest at the rate of 15.2875 per cent per annum.

Interest per £5,000 Note will amount to £192.66 and will be paid for value 22nd February 1990 against surrender of Coupon No 15.

Standard Chartered Merchant Bank Limited  
Agent Bank

## Residential Property Securities No. 1 PLC

£200,000,000

### Mortgage Backed Floating Rate Notes 2018

The rate of interest for the three month period 22nd November, 1989 to 22nd February, 1990 has been fixed at 15.5375 per cent per annum. Coupon No. 7 will therefore be payable on 22nd February, 1990 at £3,916.50 per coupon.

Aggregate interest charging balances of Mortgages redeemed during the previous Interest Period: £16,935,036.

Aggregate interest charging balances of Mortgages redeemed as at 21st November, 1989: £82,381,938.

The aggregate principal amount of Notes outstanding as at 21st November, 1989: £200,000,000.

S. G. Warburg & Co. Ltd.  
Agent Bank

## UK COMPANY NEWS

Shares lose ground as takeover speculation recedes

### Rosehaugh improves to £36m

By Paul Cheseright, Property Correspondent

ROSEHAUGH, the sprawling property group led by Mr Godfrey Bradman, yesterday lost nearly six per cent of its market value.

The latest bout of bid rumours evaporated against the background of an announcement of predictable results - profits were up from £30.3m to £36m - and a warning of more difficult conditions for property companies.

The share price, after a rise of 94p in three successive trading days, dropped 33p to 51p.

Rosehaugh's price had been buoyed by a renewed outburst of speculation that the company has been engaged in talks which could lead to a takeover by Olympia & York.

This is the Canadian group controlled by the Reichmann brothers and which is developing Canary Wharf.

When, after hearing explanations of the annual figures, analysts concluded that the speculation was ill-founded, and the price soon fell back.

The group announced that on June 30 1989 - the end of its financial year - net asset value had climbed to 755.3p per share from 582.2p in June 1988. This was in the middle of City estimates and provoked little interest in a market which has become accustomed to such historic rises.

But a warning by Mr Bradman, that the current year will be "a difficult period for the property sector until interest

rates begin to fall and investor confidence returns," chimed with generally gloomy market sentiment.

Yet this sort of warning is becoming characteristic of chairmen at property companies.

In 1988-89 net profits slipped to £25.0m, from £28.97m, as tax jumped to £11.03m (from £1.4m net of a £6.6m credit). The effect of higher tax came through in earnings per share which fell from 45.56p to 36p; but they were still sufficient to cover the dividend 18 times.

Following its usual modest dividend policy, Rosehaugh is paying 2p, against 1.6p last time. The company prefers to use profits for strengthening

the asset base.

Rosehaugh's net assets rose to £479m from £368m over the last financial year, reflecting the valuation for the first time of three phases of Broadgate.

This is the joint venture with British Rail Property Board and Stanhope Properties that is both the biggest office development in the City of London and the centrepiece of Rosehaugh's development and investment portfolio.

During the current year the assets should be increased further by the valuation for the first time of another phase at Broadgate and also by a rent review at 1 Finsbury Avenue, another large property in the City.

See Lex

## Kewill Systems advances 55% to £1.13m midway

By Alan Cane

KEWILL SYSTEMS, a USM-quoted computing services company specialising in manufacturing software, looks set for another good year after a strong performance at the half-way stage.

Sales for the six months to September 30 were 49 per cent up on the same period last year at £2.06m while pre-tax profits were up 55 per cent at £1.13m.

Earnings per share were 11.03p (10.12p fully diluted) compared with 8.21p (7.52p) last time.

In line with the company's normal practice, no dividend is recommended for the six month period. Last year, when pre-tax profits totalled £1.8m, the directors recommended a dividend of 2.2p.

The overall figures hid considerable differences in performance between Kewill's various divisions. Manufacturing Systems showed strong growth both from Micros, the company's microcomputer based software, and its Trifid Systems subsidiary which supplies manufacturing software for a range of minicomputers.

Mr UK Overall, chairman, said there was a steady demand for manufacturing software whether industry was

in boom or recession. Trifid was installing its systems at the rate of two a month, he said.

Kewill-Xetal, which supplies systems to the garment manufacturing sector, was facing tough competition but was having success with its electronic document interchange (edi) software and expected to improve on its first half profits contribution of £2,000.

The company's major disappointment was Omicron Software, a maker of accounting software acquired in March this year. It showed a £15,000 loss on revenues of £1m.

Drastic reorganisation was expected to result in a return to profitability in the next six months, Mr Overall said.

The company is showing an acute awareness of the major technological trends. Its manufacturing software has been adapted to the fast-growing Unix operating system and it has developed a new and simple method of displaying management information.

It is also experimenting, with the aid of a £2m Department of Trade and Industry grant, with a new and potentially very productive method of creating software, object oriented programming.

## Edbro warns after good first half

Edbro enjoyed a good first half, with profits ahead 33 per cent, but sounded a warning about the current period.

The group, which makes hydraulic tipping hoists, truck bodies and skip loaders, said its two biggest markets - the UK and France - dropped sharply and quite suddenly in early autumn, and were con-

tinuing to decline.

This meant that second half sales and profits would be down on the opening six months. The latter period had seen sales rise 19 per cent to £17.1m (£14.4m) and profits move up to £2m (£1.5m).

Earnings came to 15p (15p) and the interim dividend is again 3p.

## Sharp increase to £5.63m by City Gate

City Gate Estates, the London-based commercial property developer headed by Mr James Gulliver, has already beaten last year's result at the half-way stage with pre-tax profits of £5.63m for the six months to September 30.

Revenue for the year came to £5.27m and in the previous first half the figure was £533,550.

Mr Gulliver said profits for the current year as a whole were unlikely to be significantly higher as completions had fallen mainly in the first half. Borrowings at September 30 were £2.75m, some 46 per cent of shareholders' funds.

Turnover at the USM quoted company in the six months rose to £13.16m (£3.25m). There was a £2.21m contribution (nil) profit from a joint venture.

The interim dividend is raised to 1.54p (1.5875p) from earnings of 22.2p (2.6p).

## Micklegate Group to join USM with £14.5m tag

By Vanessa Houlder

MICKLEGATE Group, a West Yorkshire property company, is joining the USM in a placing that will value it at £14.5m. Dealings are expected to start on December 6.

Allied Provincial Group is placing 4.4m shares at 75p. About 16 per cent of the enlarged capital is being placed to raise £2m to renege money for the company, while existing shareholders are placing 6.9 per cent of the enlarged capital to raise £1m.

The group is mainly concerned with industrial and commercial property development, design and project management. It also provides architectural, surveying and commercial development consultancy services and residential housing development.

The company said it viewed the future of the property market with selective optimism and it was pleased that it had no exposure to the London office market.

Mr Trevor Barker, the chairman and former boss of John Crowther, the carpet company, said he believed that demand in the north would continue to hold up as there was a shortage of office space and it was not usually subject to the same peaks and troughs as the south-east.

In addition, a lot of Micklegate's buildings are sold in enterprise zones to tax-avoider individuals, he said.

Pre-tax profits for the year to April 30 are forecast to be at least £2.3m, putting the shares on a p/e multiple of 8.8.

## Second-half upturn at Morland

Morland, the Thames Valley Brewer in which the Whitbread Investment Company has a stake of some 42 per cent, managed a second half revival to produce a 7 per cent profit rise from £5.15m to £5.62m for the year to end-September.

In the first half profits fell from £3.08m to £2.11m due to substantially lower property sales.

Turnover rose 10 per cent from £22.96m to £25.16m. Operating profit rose to £4.04m (£3.53m) and the surplus from property disposals fell to £2.37m (£2.51m). Net interest received came to £208,000 (£159,000).

After unchanged tax of £1.33m, earnings per share came through at 63.4p (58.9p), or, excluding the surplus on property disposals, 35p (30.2p). The dividend for the year is raised to 10.25p (9.05p).

## Scottish Investment Trust nav rises 19%

NET ASSET value of the Scottish Investment Trust stood at a record 197.8p on October 31, a 19 per cent increase over the 166.5p of 12 months earlier.

Directors said the overall performance was satisfactory with particularly good results in the Far East - 9.7 per cent (11.1 per cent) of its assets are in Japan and 7.9 per cent (6.3 per cent) in other Far East countries.

The geographical distribution of assets showed a reduction from 47.1 per cent to 40.2 per cent in the UK but there

was an increase from 22.6 per cent to 27.2 per cent in the US, and a rise from 11.9 per cent to 15 per cent in Europe. Total assets at market valuation were £552.3m, an improvement of 18 per cent over the £467.7m a year earlier.

Gross revenue for the year to October 31 was £19.02m (£17.7m), an increase of 7.5 per cent, and pre-tax profits were £13.34m (£11.6m). After tax of £3.81m (£3.41m) earnings per stock unit were 3.7p (3.17p). A final dividend of 2.53p makes a total of 3.68p (3.2p), an increase of 15 per cent.

## NEWS IN BRIEF

APV has acquired Tweedy Holdings from British Arkady for £2.5m which will be satisfied by the allotment and issue of 2.3m APV ordinary shares. British Arkady is a wholly-owned subsidiary of Archer Daniel Midland, based in the US.

AT TRUST has completed the acquisition of Ches' A private for 2.14m ordinary shares at 65p; further profit-related consideration of up to 461,500 shares can be issued at the same price.

EPICURE INDUSTRIES: wholly-owned subsidiary, Epicure Industries, has repaid loan to Sveriges Investeringarbank through Kr12m (£1.15m) cash and the issue of 40,000 shares valued at £285,000. Epicure will purchase those shares in exchange for the issue of 2.65m of its own, which have been placed at 30p each with institutions.

FULCRUM INVESTMENT Trust: At end-October net asset value per income share was 42.11p (41.59p) and per capital share 15.44p (15.24p). Net revenue before tax was £339,415 (£311,289). A second interim dividend of 5.25p per income share is declared in lieu of a final, making 7.8p (6.96p) for the year.

GILGOW INCOME Trust: First annual report showed net asset value of 51.97p for the period June 28 1988 to September 30 1989. Gross revenue was £1.65m and earnings per share 3.73p after tax of £385,000. Final dividend of 1.15p proposed making 3.45p. Board intends that total dividends for current year will be not less than 3.1p, some 10 per cent higher than annual equivalent of total paid for past 15 months.

GOVETT AMERICAN Endeavour Fund, an offshore dollar-denominated fund managed by Berkeley Govett, reported pre-tax profits up from \$4.11m to \$5.56m (£3.57m) for the six months to end-September. Total income was \$9.81m (£7.19m) and net asset value moved up from \$1.89 to \$1.94 per \$1 share. Earnings were 10.18 cents compared with 7.5 cents.

GOVETT ATLANTIC: Net asset value rose from 158p to 201.19p in the year to end-October. Net revenue £3.13m (£2.87m adjusted) giving earnings of 3.87p (3.54p) per share. Proposed final dividend of 2.3p makes 3.5p (3.15p).

HARDY Oil & Gas, the independent oil company formerly part of Trafalgar House, has acquired 20 per cent interests

in five offshore exploration blocks in the Netherlands. The blocks were awarded to a group of which Hardy is a member in the 7th round of offshore allocations.

HAY & ROBERTSON lost £10,335 before tax in the year to May 31, compared with a £21,574 profit previously. Turnover fell to £38,600 (£41,600). There was an extraordinary profit of £75,755 (nil) from the sale of freehold land. Earnings per share came to 0.087p (0.029p). There is no dividend for the year.

ISS-INTERNATIONAL Service Swedens subsidiary, ISS Clorius International, has reached agreement with Thorn EMI concerning the sale to Thorn of its subsidiary ISS Clorius specialising in building management systems.

MITIE GROUP has acquired Mitie Cleaning and Maintenance for an initial consideration of £2.28m. Additional consideration of up to £5.71m may be payable dependent on Mitie Cleaning's future profit performance. The initial consideration is to be satisfied by the issue of 1.05m ordinary 50p shares in Mitie Group at a price of 168p per share.

TEMPLE HOLDINGS, the company formed by Tiphook and Saxe, the Swedish operator, received 311,611 Sea Containers common stock in response to its tender offer. The bid is extended to December 11.

TIP EUROPE: At the AGM the chairman, Mr Jim Cleary, announced a major operating lease agreement between Key Leasing, its recently acquired leasing company, and Courage, involving 450 trucks and 250 trailers. The contract was worth \$3m.

VISTA ENTERTAINMENTS: Pre-tax loss of £245,000 (£332,000 for full year) for the six months to September 30 on turnover of £4.31m. Loss per share 0.27p (1.50p). Company said results had a historic seasonal bias towards the second half of the year.

WATERFORD FOODS has completed placing of new A ordinary shares to raise £11.9m. As a result of applications for clawback received from ordinary shareholders, the institutions have surrendered 16.7 per cent of the shares made available to them in the original placing.

XTRA-VISION: A total of 12.34m new ordinary shares (97.13 per cent) were taken up in respect of the recent rights issue.

# ABSOLUT

# SPLIT.



**UK COMPANY NEWS**

**Fuel distribution side hit by surfeit of stock and reduced demand  
Powell Duffryn slips to £13.2m**

By Jane Fuller

WARM WEATHER caused profits in Powell Duffryn's core fuel distribution business to wilt in the six months to September 30.

Although engineering and shipping made progress, it was not sufficient to ward off a fall in pre-tax profit from £13.2m to £12.2m. Turnover advanced 6 per cent to £34.94m.

The decline would have been greater had it not been for a £1.2m pensions credit and the disposal of a loss-making French business.

Mr David Hubbard, chairman, said fuel distribution was hit first by a surfeit of stock after a mild winter, and then by the lack of demand from farmers for grain drying.

The company had invested heavily in fuel distribution, but unseasonal conditions saw the division's first-half trading profit fall from £3.4m in 1987 to

£2.06m last year and £453,000 this time.

"We have tried to maintain market share, which has meant accepting lower prices," he said, stressing the division's capacity for a second-half recovery.

The trading profit of the rest of the business improved by more than 17 per cent. But a swelling of interest payments by more than £1.1m to £3.57m dimmed this progress.

Shipping increased trading profit by more than 50 per cent. Mr Bill Andrews, chief executive, said freight rates had risen for its bulk cargoes, including coal and grain. Costs had been cut through changing the flag to the Isle of Man. This had enabled British crews to be made redundant and then rehired on new terms.

Engineering showed a much stronger rise in trading profit

than in sales, making nearly 50m on turnover of £110m. Mr Hubbard said the transport side had great hopes of a flat rail car designed to carry continental containers.

While the contracting business had not been hit by the building downturn, brick-making had.

An extraordinary profit of £5.62m was made on the sale of businesses and land. Altogether the disposals are expected to net £17m this year, although gearing is still expected to rise from 36 per cent to more than 40 per cent.

Earnings per share fell to 14.2p (15.4p), but the interim dividend is lifted 10 per cent to 6.6p. The share price closed at 347p yesterday.

**COMMENT**  
The management's case is that it has improved the business

where it can and that it cannot do anything about the weather. But it is not all that comforting to see more than half of turnover in the lap of the gods, especially when volume is being protected more vigorously than profits. The sweetener is the 9 per cent yield. But questions are beginning to be asked about the generous dividend policy when some of the fundamentals are weak, interest cover is declining and perhaps more money should be channelled into the non-fuel distribution parts. On the other hand, while the economic climate is not propitious, the management may well be right to keep the shareholders happy and hold itself in readiness to capitalise on a freeze. A forecast full-year profit of £38m gives a prospective multiple of nearly 9, thanks to it being regarded as an income stock.

**Sidlaw climbs 15% in year of change**

IN A year of change and growth, Sidlaw Group saw pre-tax profits increase by 15 per cent, from a restated £6.16m to £7.1m.

This Scottish-based packaging, oil services and textiles group achieved that on turnover ahead just 2 per cent to £73.11m (£71.78m) in the year ended September 30.

During the year the group merged with HPC, the flexible packaging concern, in an £8.8m deal, and that company perched up to expectations. It also sold Edwards, its wholesale grocery business, and a property for £2m cash.

Earlier this month, Sidlaw announced a recommended

£8.9m bid for Transap Holdings, a USM-quoted flexible packaging business.

Mr Digby Morrow, chief executive, said he was pleased with the results from all three divisions and with the progress made in group development.

"The move into packaging was the kind of step needed to allow the group to achieve a significant earnings growth", he claimed.

Packaging contributed £1.1m to operating profits, while oil services provided £5m and textiles £1.7m.

Earnings were 17.4p per share (14.1p). The proposed final dividend is 4.7p to raise the total to 7.7p (7p).

**Grampian up 80% but cautious over second half**

GRAMPIAN TELEVISION, the IBA contractor for the north of Scotland, increased pre-tax profits by 80 per cent in the six months to the end of August. From last time's £581,000, profits climbed to £1,056m.

That figure included a dividend of £178,000 (£36,000) from TV Times as well as interest receivable of £157,000 (£5,000) and was struck after the deduction of £90,000 (nil) for the Exchequer Levy.

However Mr Douglas Hardie, who became chairman in June, warned: "While it is pleasing to report improved half-year figures, I cannot see this level of performance being sustained in the second half." He ascribed his fears to the current slow-down in network advertising revenue and the continued drift of revenue to the south.

Advertising revenue in the first half rose just over 5 per cent and Mr Hardie said that revenue from the sale of programmes and the hire of the company's facilities both showed healthy increases.

Turnover advanced 8 per cent to £10.49m (£9.71m). This time there was an extraordinary credit of £537,000 (nil) relating to the sale of the company's interest in Independent Television Publications, publisher of TV Times, and a provision for the costs of the closure of the sales department.

From January 1990 and to achieve cost savings, the selling of the company's advertising airtime will be carried out by Television Media Marketing, a subsidiary of HTV.

After tax of £403,000 (£245,000), earnings were up at 4.5p (2.47p). The interim dividend is lifted to 0.7p (0.6p).

**IWP advances to £4.5m at halftime**

On a restated basis, IWP International, the Dublin-based diversified household products and industrial group, increased pre-tax profits by 28 per cent in the half year to September 30 1989.

From turnover ahead 59 per cent to £235m (£21.95m) profit is expanded from £23.52m to £4.5m (£4.2m). Earnings were 13.9p (11.5p) and the interim dividend is raised to 2.5p (1.5p) on increased capital.

Mr Joe Moran, chairman, said all four divisions (household products, industrial products, printing and packaging, and telecommunications) traded satisfactorily. However, results of the latter were affected by rising costs in the development of a new product, which will start to sell in the first half of 1990.

A split of the operating profit showed household £1.57m (£1.751,000), industrial £397,000 (£352,000), printing and packaging £1.54m (£1.58m), telecommunications £1.07m (£1.08m), group loss £281,000 (£232,000).

Geographically, Ireland accounted for £2.09m (£1.13m), UK £2.41m (£2.2m), and the Netherlands £588,000 (£129,000).

**Caspen loss cut to £1.93m**

CASPEN OIL incurred a net attributable loss of £1.93m in the year to July 31. That compared with some £2m forecast in September at the time of the rights issue, and with £2.74m for the previous seven months.

However, an £865,000 extraordinary gain on settlement of litigation concerning the interest of the US subsidiary in the Yates field reduced the overall loss to £1.06m. Losses before tax were £2.26m (£3.05m).

Part of the rights proceeds were allocated to development drilling on oilfields at Orange and Starks in southern Texas and Louisiana.

The company is also paying \$550,000 (£83,000) for a 50 per cent interest in producing properties adjoining Starks; the consideration is \$450,000 cash and the issue of 400,000 shares. The directors described the acquisition as an important tactical move, and it also adds cash flow of over \$225,000 in the first year.

Turnover in the year came to

\$4.12m (£1.3m) and the increase followed the purchase of the Peter Paul gas producing properties.

But the company had to bear the extra interest burden of the acquisition, and that combined with low gas prices to account for a significant part of the loss.

There were exceptional charges of £14,000 for the introduction to the Third Market, and of £318,000 for the loss on disposal of the Floyd Energy holding.

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There were exceptional charges of £14,000 for the introduction to the Third Market, and of £318,000 for the loss on disposal of the Floyd Energy holding.

**Black Arrow down 9%**

BLACK ARROW Group, the office furniture concern which also has interests in electrical appliances, leasing and instalment finance, reported pre-tax profits some 9 per cent lower at £7.73m in the six months to September 30.

Mr Arnold Edward, chairman, had forecast the fall in his annual statement.

The pre-tax figure included £98,500 arising from the sale of the office machines division of a subsidiary.

Group turnover rose 6 per cent to £12.12m (£11.18m), with office furniture increasing by the same percentage to

£10.46m. Electrical appliances and other activities climbed 55 per cent to £710,000, but leasing and instalment finance fell 5 per cent to £383,000.

After tax of £604,000 (£554,000), earnings were lower at 4.54p (4.87p) per share. Despite the slip in profits the interim dividend is maintained at 1p.

Mr Edward said he was confident that the first half's shortfall would be made up and that the full year's results would not be "materially different from those reported in 1988."

**Video Magic pays £200,000 for four stores**

As part of its continuing expansion programme, Video Magic Leisure has purchased four video rental stores for a total consideration of £200,000.

This brings the total number of stores to 75, and the group expects to have 100 in operation by the end of 1989.

Two of the stores are in Ashby, Leicestershire, and cost £125,000, and the others are in Bournemouth (£47,500) and Mickleover, Derbyshire (£27,500).

**ANGLOVAAL GROUP**



**Declaration of Ordinary and Participating Preference Dividends**

Dividends have been declared payable to holders of ordinary and participating preference shares registered in the books of the undermentioned companies at the close of business on 15 December 1989. The dividends have been declared in the currency of the Republic of South Africa and payments from London will be made in United Kingdom currency. The date for determining the rate of exchange at which the currency of the Republic will be converted into United Kingdom currency will be 27 December 1989 or such other date as set out in the conditions subject to which the dividends are paid. These conditions can be inspected at the registered offices or offices of the London Secretaries of the companies. Warrants in payment of the dividends will be posted on or about 19 January 1990. The transfer books and registers of members of the companies in Johannesburg and London will be closed from 16 to 22 December 1989, both days inclusive. All companies mentioned are incorporated in the Republic of South Africa.

Name of Company	Class of Share	No.	Interim Dividend Declared	
			1989	1988
Cents per share				
<b>INTERIM DIVIDENDS - YEAR ENDING 30 JUNE 1990</b>				
Anglovaal Ltd Reg. No. 05/04590/06	Ord & A'Ord	88	300	250
Anglovaal Ltd (Note 1) Reg. No. 05/04590/06	Part pref	71	155	130
Eastern Transvaal Consolidated Mines Limited Reg. No. 01/08642/06	Ord	79	200	150
Fluorochemicals Cold Metallurgical Limited Reg. No. 05/12924/06	Ord	68	65	80

1. Being 5 cents in respect of the final rate of 5% per annum for the half year ending 30 December 1989, and 15 cents per share (plus a 5% participation in the interim dividend of 20 cents declared on the ordinary and 'A' ordinary shares.

By order of the boards  
Anglovaal Limited  
Secretaries/Transfer Secretaries  
per E.C.D. Gordon

London Secretaries  
Anglo-Transvaal Trustees Limited  
285 Regent Street  
LONDON W1R 8ST  
23 November 1989

Registered Office  
Anglovaal House  
56 Main Street  
2001 Johannesburg



9-11 GROSVENOR GARDENS, LONDON SW1W 0DB  
Tel: 01-828 7233 AFB member

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Dec. 2216/2226 +36 Jan. 2669/2681 +4  
5pm Prices. Change from previous 9pm close

**VALLEHERMOSO, S.A.**

**CORPORACION INMOBILIARIA HISPAMER, S.A.**

**INMOBILIARIA PARA EL FOMENTO DE ARRENDAMIENTOS, S.A. (INMOBANIF)**

The following is brought to the notice of shareholders of the three above-mentioned corporations and the public at large:

First: The Spanish Treasury in its order of the 18th of October conceded specific tax benefits by virtue of the amalgamation of the said three companies in accordance with the agreements of their respective Extraordinary General Meetings Held on December 22nd last.

Second: The respective boards of the three above-mentioned corporations, in view of the Ministerial Order and the agreement to amalgamate adopted by the respective Extraordinary General Meetings, consider that the conditions established by the latter have been fulfilled, and that the amalgamation can now take place. The date fixed for transfer of the title in question is Thursday the second of November 1989.

Third: In the period from the 10th to the 25th of November, 1989, shares of the Corporación Inmobiliaria Hispamer, S.A. and Inmobiliaria para el Fomento de Arrendamientos, S.A. (Inmobanif), can be exchanged, in the main office of the Banco Hispano Americano in Madrid, for those of Vallehermoso, S.A., in the proportion approved by the Shareholders Meetings in which the amalgamation was agreed. That is:

- 8.13 Vallehermoso, S.A., shares of 500 (pesetas of nominal value) for each share of 5.000 (pesetas of nominal value) of the Corporación Inmobiliaria Hispamer, S.A.
- 1.90 Vallehermoso, S.A., shares of 500 (pesetas of nominal value) for each share of 500 (pesetas of nominal value) of Inmobiliaria para el Fomento de Arrendamientos, S.A. (Inmobanif).

After the above-mentioned period, Vallehermoso, S.A. shares which have not been exchanged will be held by Vallehermoso, S.A. and available to shareholders of Corporación Inmobiliaria Hispamer, S.A., and Inmobiliaria para el Fomento de Arrendamientos, S.A. who have not yet made the exchange.

Fourth: The issue of shares made by Vallehermoso, S.A. to provide for this exchange will be as follows:

- The share capital will be increased by 4,465,800 Pesetas represented by 8,931,600 shares of 500 nominal Pesetas.
- The new shares will be in share capital which will in all respects rank equally to the shares currently in circulation.
- The new shares will be exclusively for exchange for Corporación Inmobiliaria Hispamer, S.A. shares and for Inmobiliaria para el Fomento de Arrendamientos, S.A. shares (Inmobanif).
- These new shares will be quoted on the stock Exchanges on which Vallehermoso, S.A. shares are currently quoted.

Madrid, 25th October 1989  
Issued by the boards of:  
**Vallehermoso, S.A.**  
Corporación Inmobiliaria Hispamer, S.A.  
Inmobiliaria para el Fomento de Arrendamientos, S.A. (Inmobanif)

**Anglo American Corporation of South Africa Limited**  
(Incorporated in the Republic of South Africa)  
Registration No. 01 05389 08

**Interim report and dividend**  
for the six months ended September 30 1989 (unaudited)

Consolidated income statement (R million)	Six months ended		Year ended 31.3.89
	30.9.89	30.9.88	
Net income	632	476	1 292
- trading	279	191	427
- other	28	10	89
Net income before taxation	939	677	1 798
Taxation	210	132	274
Net income after taxation	729	545	1 524
Attributable to outside shareholders	138	86	270
Attributable earnings	599	459	1 254
Retained earnings of associated companies	716	559	1 391
Equity accounted earnings	1 315	1 018	2 645
Extraordinary items	29	70	24
Earnings after extraordinary items	1 344	1 088	2 669
Transfer to non-distributable reserve	751	614	1 401
Ordinary dividends	186	161	622
Retained earnings	397	313	646

Consolidated Balance sheet (R million)	At		At
	30.9.89	30.9.88	
Ordinary shareholders' equity	231	167	197
Capital and premium	6 688	4 923	5 955
Non-distributable reserve	4 413	3 650	3 993
Retained earnings	11 312	8 740	10 145
Preferred capital	5	5	5
Outside shareholders' interests in subsidiary companies	1 271	1 135	1 245
Total shareholders' interests	12 588	9 880	11 395
Loan capital	194	210	200
Losses from associated companies and others	1 845	1 949	1 834
Other liabilities	1 266	856	1 262
	15 892	12 895	14 691
Represented by:			
Investments	10 360	8 078	9 224
Fixed assets	2 327	2 211	2 280
Stocks and debtors	1 179	858	1 092
Deposits and cash	2 007	1 748	2 095
	15 892	12 895	14 691

Earnings per ordinary share - cents  
- attributable earnings 260 200 545  
- equity accounted earnings 578 443 1 148

Dividends per ordinary share - cents  
- interim 85 70 70  
- final - - 200

Number of ordinary shares in issue - millions  
231 230 230

Net asset value - cents per ordinary share (after providing for dividend)  
15 713 9 358 12 379

Based on the market value of listed investments at September 30 1989 and the directors' valuation of unlisted investments at March 31 1989.

**Notes:**

- References to ordinary shares, ordinary shareholders and ordinary dividends include the 3 ordinary shares which rank pari passu in all material respects with the ordinary shares.
- Particulars of the Group's interests in listed associated companies and general investments are as follows:

Associated companies	At		At
	30.9.89	30.9.88	
Market value	25 791	17 400	23 575
Carrying value	7 231	5 534	6 394
	18 560	11 866	17 181

General investments	At		At
	30.9.89	30.9.88	
Market value	4 197	2 748	3 666
Book cost	612	373	433
	3 585	2 375	3 233

Appreciation 22 145 14 221 20 414  
Outside shareholders' interest therein 2 978 2 127 3 429

- Particulars of the Group's capital expenditure, which relates almost entirely to the operating subsidiaries, are as follows:

	At		At
	30.9.89	30.9.88	
Capital expenditure for period (net)	85	85	209
Capital expenditure commitments (net)	378	422	386

4. There are no material changes in contingent liabilities from those disclosed in the latest annual report.

**Comment**

Attributable earnings for the six months ended September 30 1989 rose by 31 per cent to R599 million (260 cents per share) from R459 million (200 cents per share) for the corresponding six months of 1988. Equity accounted earnings increased by 29 per cent to R1 315 million (570 cents per share) from R1 018 million (443 cents per share). The interim dividend has been increased by 21 per cent to 85 cents per share from 70 cents per share.

Income from investments at R632 million was 33 per cent higher than the comparative R476 million, most of this increase being attributable to higher dividends from the mining finance, diamond, platinum and base metals sectors. As there was a minimal increase in dividend income from gold and uranium mining interests the contribution by this sector to investment income for the six months fell from 38 per cent to 30 per cent. This drop reflects the impact of inflation on costs relative to the marginal improvement in the rand gold price which rose by only 2.1 per cent to R965 per ounce (R394 per ounce) in the first six months of 1989 compared to R965 per ounce (R453 per ounce) in the corresponding period in 1988. The average for the 10 months to October 31 1989 was R990 per ounce (\$377 per ounce), although the price has risen recently to over R1 000 per ounce.

Trading income increased by 46 per cent to R279 million from R191 million mainly due to Anglo American Coal Corporation

Copies of the Interim Report will be posted on or about Tuesday, November 28 1989.

**Dividend**

On Thursday, November 23 1989, the directors of the Corporation declared interim dividend No. 107 on the ordinary and 3 ordinary shares as follows:

Amount (South African currency) 85 cents per share

Last day to register for dividend (and for changes of address or dividend instructions) Friday, December 22

Registers closed from (to inclusive) Saturday, December 23  
Saturday, January 6

Ex-dividend on stock exchanges:  
- Johannesburg Wednesday, December 27  
- London Friday, December 29

Currency conversion date for sterling payments to shareholders paid from London Wednesday, December 27

Dividend warrants posted Thursday, January 18

Payment date of dividend Friday, January 19

Rate of non-resident shareholders' tax 14.59/55 per cent

The full conditions relating to the dividend may be inspected at the Head and London offices of the Corporation and its transfer secretaries.

By order of the board  
C.L. Malby  
Secretary

Head office:  
44 Main Street  
Johannesburg 2001

Johannesburg  
November 24 1989

London office:  
40 Holborn Viaduct  
London EC1P 1AJ

COMMODITIES AND AGRICULTURE

Trader to face £3m claim over lead-poisoned feed

By Laura Raun in Amsterdam

A DUTCH animal feed maker is to claim about £10m (£3.2m) from a West German grain trader in damages over lead-poisoned cow feed that has affected around 1,700 farms in The Netherlands and Britain.

Mr de Witte contended yesterday that Toepfer International, a grain dealer, acted negligently and unlawfully by failing to inform its customer, De Bruijn, of lead poisoning in rice bran acquired by De Bruijn.

Mr de Witte contended yesterday that Toepfer, a grain dealer, acted negligently and unlawfully by failing to inform its customer, De Bruijn, of lead poisoning in rice bran acquired by De Bruijn.

Organic farming 'could save money'

By Geoff Tansley

THE BRITISH Government set up the EC would save money as well as help to protect the environment by promoting a 20 per cent switch to organic farming, rather than set-aside or non-organic extensification, according to Mr Nicolas Lampkin, an agricultural economist from the University College of Wales, Aberystwyth.

Price falls forecast for all base metals

By David Blackwell

BASE METAL prices are heading for a downturn across the board next year as expanding production overtakes demand, according to the Economist Intelligence Unit.

The surplus will allow some rebuilding of severely depleted stocks. And the report also points out that at 95 cents a lb most producers will still find copper production a highly profitable activity.

Next year, if there is still no correction to supply, prices in the second half could go down towards \$1,500 a tonne despite record consumption.

For the zinc market, the report highlights the weakness in consumption this year, ahead of the general economic slowdown, because of the importance to it of construction demand.

Table with 4 columns: Metal, 1989, 1988, 1987, 1986. Rows include Copper, Aluminium, Tin, Zinc, Lead, Nickel.

Cocoa board to disclose debts

By Mark Hubbard in Abidjan

BANKS ARE predicting an upturn in Ivory Coast cocoa exports by mid-December after the state marketing board agreed to disclose the scale of its arrears owed to exporters.

The new information will not lead to all exporters being given loans. One banker predicted that a 4 or 5 per cent drop in cocoa prices is the major factor which could derail the new financing plans.

money, enables banks to take a reasonable view of their future survival and to help them buy some cocoa," he said.

Power shortage hits smelters

By Robert Gibbins in Montreal

LOW POWER reservoir levels are affecting production of ingot at Alcan Aluminium smelters in the Saguenay, north of Quebec City.

Oil producers disagree on demand outlook

By Robert Gibbins in Montreal

OPEC STATES' experts failed to agree on their forecasts for 1990 oil demand as ministers pressed yesterday for talks to try to solve differences over fixing output quotas, reports Reuters from Vienna.

Ivory Coast introduces tobacco grading

By Mark Hubbard in Abidjan

THE IVORY Coast yesterday took steps to grade its small annual tobacco crop with the introduction of a new scale of producer prices.

African bankers lend an ear to agricultural problems

By Mark Hubbard in Abidjan

AFRICA'S PEASANT farmers, the focus of a continuing search for solutions to the soaring population, are themselves suffering a sort of starvation - lack of operating capital, reports Reuters from Abuja.

WORLD COMMODITIES PRICES

LONDON MARKETS

Table of London market prices for various commodities like Gold, Silver, Tin, Lead, Zinc, Nickel, etc.

COCOA - London POZ

Table of cocoa prices with columns for Month, Close, Previous, High/Low.

LONDON METAL EXCHANGE

Table of metal exchange prices for Aluminum, Copper, Lead, Zinc, Nickel, etc.

POTATOES - IRE

Table of potato prices with columns for Month, Close, Previous, High/Low.

SOYABEAN MEAL - IRE

Table of soyabean meal prices with columns for Month, Close, Previous, High/Low.

WHEAT - IRE

Table of wheat prices with columns for Month, Close, Previous, High/Low.

GRAINS - IRE

Table of grain prices with columns for Month, Close, Previous, High/Low.

African bankers lend an ear to agricultural problems

The struggle to feed Africa's hungry is not helped by a banking system designed for Western needs. The US commodity markets were closed yesterday for the Thanksgiving holiday.

LONDON STOCK EXCHANGE

Sharp equity advance in modest trade

WELCOME news on the UK trade front provided a noticeable boost to sentiment in the London equity market yesterday, although there was little follow-through in terms of trading volume.

Account Dealing Dates
Nov 27 Dec 31
Optim Dealing Dates
Nov 20 Dec 21
Last Dealing Date
Nov 24 Dec 22

dealers encouraged by the regaining of the 2,200 mark. The firmness at the close suggested optimism ahead of the opening of the new equity trading account at 3.30pm today, according to some experienced traders.

the recently-appointed Chancellor of the Exchequer. Such credibility is important for equities at a time when overseas investors are wary of the political pressures on Mrs Thatcher.

that further-favourable news on both inflation and the trade deficit will be needed before the equity market starts to hope seriously for any downturn in rates. The big institutions were prepared to pick up lines of stock below the market price, but were not aggressive buyers yesterday.

Retailer stake sold

Early interest centred on Storehouse, following reports that Mounfield's 1.5 per cent stake had been sold. Mounfield said it did not comment on market rumours.

BP said it had sold its South African coal businesses, including its 88.5 per cent stake in the Middleburg coal mine, for \$225m. The UK company has already sold its Australian coal businesses, raising a figure of \$275m and is now looking to sell the US coal business, possibly for a figure of \$300m.

One analyst said yesterday the principal concern continued to be B & C's cash flow problems which could mean a reduction in the group's final dividend. Mr John Gunn, B & C's chairman, denied that any further management changes were being planned.

124p, a day's loss of 9. An analyst remarked: "It now looks like the shares are going to have a bumpy ride; this one will come and go."

A profits warning accompanying interim figures sent shares in Edbro sliding. The company reported interim profits of \$2m up from \$1.6m, with earnings per share rising to 18p from 15p.

Boots doubts

Good sentiment from the near 21 per cent interim profits improvement from Boots, at the high end of expectations, was more than outweighed by a disappointing analysts' meeting.

It was also said that Amstrad has shelved the advertising campaign begun in the Autumn and that the group's much-vaunted fax machines may now not be in the shops until January.

But an analyst said: "The proceeds of the sale of this property will not provide sufficient funds for the current stake holder to launch a full bid for the company."

Having reported healthy interim profits the previous day, Wyndham Group suffered from profit-taking and the shares eased 8 to 247p.

United Biscuits was again one of the most actively traded stocks in the food manufacturing sector, as talk persisted of a possible European joint venture. UB closed 7 up at 351p.

FINANCIAL TIMES STOCK INDICES
Table with columns: Index Name, Nov 23, Nov 22, Nov 21, Nov 20, Nov 17, Year Ago, High, Low, Since Completion High, Low.

TRADING VOLUME IN MAJOR STOCKS
Table with columns: Stock, Value, Qty, % of Total, etc.

APPOINTMENTS

London Buses finance man
Mr Trevor Bush has been appointed assistant general manager (treasury) of BANCO SANTANDER, London branch.

COCA-COLA & SCHWEPES BEVERAGES, Uxbridge, has appointed Ms Penny Davies as commercial director.

Mr Michael Jones has been appointed sales director, and Mr John Gregory becomes works director from January 1 at the STANDARD WIRE COMPANY, Sowerby Bridge.

British Airways head of the environment
BRITISH AIRWAYS has appointed Dr Hugh Somerville as its first head of the environment from December 4.

Mr Rodney Pangbourne (above) has been appointed finance director at LONDON BUSES, taking over from Mr Clive Hodson who became managing director earlier this year.

Following the acquisition of the SMAC Group, LOOKERS has appointed its finance director, Mr Allan Marston, as group operations director.

Mr J.M.P. "Max" Taylor (above) has been appointed managing director of WILLES FAREK & DUMAS.

Phillip Howard has been appointed chairman of Brook Crompton Parkinson Motors; and Mr Frank Mack becomes chairman of Penco Industries Inc and Penco Control Corporation - all HAWKER SIDDELEY GROUP operating companies.

Mr Brian David Hayes and Mr Anthony John Tennant have been appointed additional directors to the boards of GUARDIAN ROYAL EXCHANGE, Guardian Royal Exchange Assurance, Guardian Assurance, and The Royal Exchange Assurance.

Mr Ian Tegner, director, group finance, Midland Bank, joins CONTROL RISKS GROUP as a non-executive director from January 1.

RESPONSE GROUP has appointed Mr Nigel Woodland as chief executive of Response Hosiery and Ballet International. He was with Coloroll as managing director of Edinburgh Crystal.

Mr Walter Jung (above) has joined the board of BLENHEIM EXHIBITIONS GROUP as the director responsible for group activities in West Germany. He is the founder of Present Service Institut, acquired by Blenheim last July.

Mr Alan Marshall of Nomura Research Institute agreed that the programme of sales was done in the best interests of the company.

Life Assurance stocks rose after Lloyds Abbey moved ahead briskly in the wake of a buy note from one of the leading brokers.

British Gas continued to respond to the seminar on Wednesday given to energy sector analysts and institutions.

Continental AG, the West German tyre maker with a 13 per cent holding in Kwik-Fit, cannot make a bid for the company because it had already said it did not want a majority stake.

Following the retirement of Mr Brian Bonfield, Mr

Mr J.M.P. "Max" Taylor (above) has been appointed managing director of WILLES FAREK & DUMAS.

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NORDIC COUNTRIES + 1992
The Financial Times proposes to publish this survey on: 25th January 1990
For a full editorial synopsis and advertisement details, please contact: Chris Schaanning or Gillian King on 01-873 3428 or 01-873 4823

FT FINANCIAL TIMES CONFERENCES
WORLD BANKING: EUROPE AFTER THE DELORS REPORT
London
30 November & 1 December, 1989
Speakers include: M. Jacques Delors, Commission of the European Communities; The Lord Roll of Ipsden, KCMG, CG; Mr Peter Lilley, MP; Sr Miguel Boyer; Mr Peter Leslie; Mr Stanislas Yassukovich; Dr Roland Vaubel; Mr Alan Clements; Rt Hon Lord Jenkins of Hillhead, PC; Mr Samuel Brittan; Professor Patrick Minford; The Rt Hon John Smith, QC, MP; Mr Giles Keating.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-425-2128

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abnott Unit Trust, and others, including their respective managers and details.

Table listing unit trusts under the heading 'Abnott Unit Trust' and 'Abnott Unit Trust Managers Ltd', detailing various investment options and their performance.

Table listing unit trusts under the heading 'Abnott Unit Trust Managers Ltd', providing further details on specific trust units and their characteristics.

Table listing unit trusts under the heading 'Abnott Unit Trust Managers Ltd', continuing the list of investment vehicles and their details.

Table listing unit trusts under the heading 'Abnott Unit Trust Managers Ltd', detailing various trust units and their associated risks and returns.

Table listing unit trusts under the heading 'Abnott Unit Trust Managers Ltd', providing information on different trust structures and their performance metrics.

Table listing unit trusts under the heading 'Abnott Unit Trust Managers Ltd', detailing various investment options and their details.

Table listing unit trusts under the heading 'Abnott Unit Trust Managers Ltd', providing further details on specific trust units and their characteristics.

GUIDE TO UNIT TRUST PRICING. This section explains the pricing structure of unit trusts, including the difference between bid and offer prices, and how to interpret the data presented in the tables.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-825-2125

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections like 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing FT Unit Trust Information Service data, organized into columns for various trust categories and regions. Includes sub-sections for 'OFFSHORE AND OVERSEAS', 'GUERNSEY (SB RECORDED)', 'MANAGEMENT SERVICES', 'LUXEMBOURG (SB RECORDED)', and 'JERSEY (SB RECORDED)'. Each entry lists trust names, codes, and prices.

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, columns include Name, Price, Yield, and other financial metrics.

Table of FT Unit Trust Information Service, columns include Name, Price, Yield, and other financial metrics.

Table of FT Unit Trust Information Service, columns include Name, Price, Yield, and other financial metrics.

Table of FT Unit Trust Information Service, columns include Name, Price, Yield, and other financial metrics.

Table of FT Unit Trust Information Service, columns include Name, Price, Yield, and other financial metrics.

BRITISH FUNDS

Table of British Funds, columns include Name, Price, Yield, and other financial metrics.

BRITISH FUNDS - Contd

Table of British Funds - Contd, columns include Name, Price, Yield, and other financial metrics.

LOANS

Table of Loans, columns include Name, Price, Yield, and other financial metrics.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails, columns include Name, Price, Yield, and other financial metrics.

AMERICANS

Table of Americans, columns include Name, Price, Yield, and other financial metrics.

INT. BANK AND O'SEAS

Table of Int. Bank and O'seas, columns include Name, Price, Yield, and other financial metrics.

CORPORATION LOANS

Table of Corporation Loans, columns include Name, Price, Yield, and other financial metrics.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans, columns include Name, Price, Yield, and other financial metrics.

MONEY MARKET

Table of Money Market, columns include Name, Price, Yield, and other financial metrics.

TRUST FUNDS

Table of Trust Funds, columns include Name, Price, Yield, and other financial metrics.

MONEY MARKET BANK ACCOUNTS

Table of Money Market Bank Accounts, columns include Name, Price, Yield, and other financial metrics.

UNIT TRUST NOTES: Prices are in pence unless otherwise stated and they are subject to change without notice.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing various stock market listings categorized by industry: AMERICANS - Contd, BUILDING, TIMBER, ROADS - Contd, DRAPERY AND STORES - Contd, ENGINEERING - Contd, INDUSTRIALS (Misc.) - Contd, CANADIANS, BANKS, HP & LEASING, CHEMICALS, PLASTICS, FOOD, GROCERIES, ETC, HOTELS AND CATERERS, BEERS, WINES & SPIRITS, BUILDING, TIMBER, ROADS, DRAPERY AND STORES, ENGINEERING, and INSURANCES. Each entry includes company name, price, and other financial data.



LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-625-2128

LEISURE table with columns for Stock, Price, and various financial metrics.

PAPER, PRINTING, ADVERTISING - Cont'd table with columns for Stock, Price, and various financial metrics.

TEXTILES - Cont'd table with columns for Stock, Price, and various financial metrics.

TRUSTS, FINANCE, LAND - Cont'd table with columns for Stock, Price, and various financial metrics.

OIL AND GAS - Cont'd table with columns for Stock, Price, and various financial metrics.

MINES - Cont'd table with columns for Stock, Price, and various financial metrics.

MOTORS, AIRCRAFT TRADES table with columns for Stock, Price, and various financial metrics.

PROPERTY table with columns for Stock, Price, and various financial metrics.

TRANSPORT table with columns for Stock, Price, and various financial metrics.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, and various financial metrics.

OVERSEAS TRADERS table with columns for Stock, Price, and various financial metrics.

THIRD MARKET table with columns for Stock, Price, and various financial metrics.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, and various financial metrics.

SHOES AND LEATHER table with columns for Stock, Price, and various financial metrics.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, and various financial metrics.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, and various financial metrics.

PLANTATIONS table with columns for Stock, Price, and various financial metrics.

MINES table with columns for Stock, Price, and various financial metrics.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, and various financial metrics.

SOUTH AFRICANS table with columns for Stock, Price, and various financial metrics.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, and various financial metrics.

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PLANTATIONS table with columns for Stock, Price, and various financial metrics.

MINES table with columns for Stock, Price, and various financial metrics.

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TEXTILES table with columns for Stock, Price, and various financial metrics.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, and various financial metrics.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, and various financial metrics.

OIL AND GAS table with columns for Stock, Price, and various financial metrics.

TRADITIONAL OPTIONS table with columns for Stock, Price, and various financial metrics.

NOTES: Stock Exchange dealing classifications are indicated to the right of security names... Includes information on dividends, interest, and other financial details.

REGIONAL & IRISH STOCKS table with columns for Stock, Price, and various financial metrics.

TRADITIONAL OPTIONS table with columns for Stock, Price, and various financial metrics.

This service is available to every Company that is on the Stock Exchange throughout the United Kingdom for a fee of £200 per annum for each security.



WORLD STOCK MARKETS

Table of stock market data for various countries including Austria, Belgium/Luxembourg, Denmark, Finland, France, Germany, Italy, Japan, Korea, and the Netherlands. Columns include stock names, prices, and changes.

Table of stock market data for Japan, Korea, and the Netherlands, continuing from the previous section. Columns include stock names, prices, and changes.

Table of stock market data for Canada, including Toronto and Montreal markets. Columns include stock names, prices, and changes.

Table of stock market indices for various regions including New York, South Africa, and Australia. Includes sections for 'NEW YORK DOW JONES', 'STANDARD AND POOR'S', 'NEW YORK ACTIVE STOCKS', and 'TRADING ACTIVITY'.

Table titled 'CANADA TORONTO' showing stock market data for various Canadian companies.

Table titled 'TOKYO - Most Active Stocks' showing trading activity for major Japanese stocks.

Advertisement for the Financial Times featuring an image of a watch and the text: 'Don't let a day go by without it. The Financial Times lets you keep a careful watch over all the international events that affect your business...'.

EUROPE

Hard currency bourses show taste for financials

Hard currency markets had a good day yesterday, with a predilection for financials in both West Germany and Switzerland, writes our Markets Staff.

FRANKFURT saw a strong rise in the bond market and strength in the D-Mark pull equities sharply higher, the DAX index closing 20.59 better at 1,534.68 after a 7.57 lift in the FAZ, calculated at 648.76.

Financials are a standard play in these circumstances, said an analyst: Deutsche moved DM10.50 higher at DM681, in talk of exceptionally good upcoming results; Dresdner was DM7.20 better at DM341 amid suspicion of support, prior to its upcoming

results and Aegon climbed FI 2.90 to FI 108.30 in anticipation of its figures next week.

MILAN finished higher in moderate trading as the Comit index rose 2.49 to 67.88. Fiat put up another strong performance with a rise of L65 to L11,120, Cir closed L46 higher at L5,201 and Olivetti rose L55 to L7,890.

BRUSSELS was quiet and mixed, although a few individual stocks attracted interest. The cash market index was down 2.82 at 5,578.57.

Tessenderlo, the chemical company, was suspended after Wednesday's 9 per cent surge on speculation that the reorganisation of the French chemical industry might involve its majority shareholder, EBC of France, purchasing the balance of its shares.

Banque Bruxelles Lambert gained BF20 to BF3,740 after it announced a slightly better-than-expected profit rise.

STOCKHOLM edged higher after two days of declines, with forestry shares making a comeback. Trading was moderate and the Affarsvariden General index gained 4.5 to 1,131.3.

The forestry sector saw MoDo free B shares up SKr15 at SKr270 and Stora free B rising SKr3 to SKr278. The previous day's concern about interest rates, however, was reflected in another fall by banking stocks.

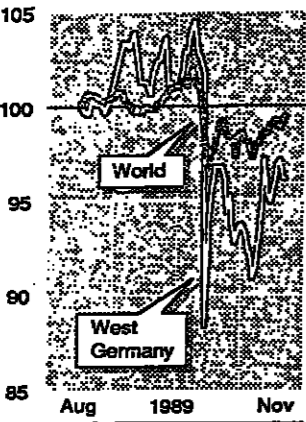
Sandvik, the engineering group, fell SKr5 to SKr275 before announcing a nine-month profit rise after the close. Electrolux was one of the most active stocks, with turnover of SKr25m. Its B shares gained SKr3 to SKr243, in spite of the previous day's disappointing interim report.

COPENHAGEN was enlivened by trading in Superfos, the agrifoods group and the most active stock, it added DKr5,770, or 4.8 per cent, to DKr5,870 amid speculation that it plans to sell its non-food operations. The rest of the market was fairly quiet, with the bourse index up 1.77 at a record 335.52.

HELSENKI fell again in moderate trading as short-term interest rates rose to record levels. The Unitas all-share index lost 10.8 points, or 1.8 per cent, to another year's low of 580.8.

FT-A World Indices

Local currency terms (rebased)



rights issue, and Commerzbank was up DM4.50 to DM247.50, apparently going along for the ride.

Insurers were also in the limelight, with Allianz rising DM61 to DM2,130 and Munich Reinsurance DM88 to DM2,385. This has been a neglected sector, and there was some switching from recently overworked stocks like the construction group, Holzmann, which fell DM34 to DM151.

Turnover rose from DM3.2bn to DM4bn, and within that Siemens continued to take pride of place in volume of DM521m. The shares closed DM9.50 higher, just short of the DM600 resistance level at DM589.50.

The gold bug, meanwhile, moved along the industrial pipeline to Degussa, a divers-

US individuals belie image of helpless victims

Janet Bush takes a look at the small players and finds that their habits have changed

THE INDIVIDUAL investor in the US is often portrayed as a helpless victim of large institutions, manipulative brokers and whip-sawing stock markets. The truth is very different.

The recurring argument used by Congressmen opposed to computerised bulk trading strategies is that the volatility associated with them continues to be a problem.

WALL STREET was closed yesterday for Thanksgiving Day. In its absence, the Toronto stock market had a very quiet day, with share prices easing by mid-session.

The composite index fell 10.8 to 3,913.8, with gold most sharply lower, on volume of 10.8m shares. Falls led gains by 224 to 203.

CCL Industries fell C\$12 to C\$11. It said that it had sold Continental Can Canada to Crown Cork and Seal for C\$300m plus C\$125m worth of Crown Cork shares. Continental Can had been a significant contributor to earnings at its parent company.

Mr Breeden suggested, by reply, that the individual investor was still in the market but had tended, as the trend has shown for most of the 1980s, to invest through mutual funds rather than directly through stockbrokers.

Mr Breeden's assertion is borne out by the facts. There is no doubt that the stock market crash of October 19, 1987, has had far-reaching effects on the behaviour of individual investors, but they remain substantial participants in stocks and other financial markets.

Figures provided by the Investment Company Institute, the national association of the mutual fund industry, show that sales of stock, bond and income mutual funds totalled \$11.7bn in August, the highest level since the same month in 1987. In September, mutual fund sales dropped a little to \$9.9bn, but this was still substantially higher than \$6.7bn in September 1988.

The change wrought by the Crash of 1987 on individuals' investment strategies is not in the total amount they have invested, but in their tactics and the kind of investments they have focused on.

They have continued to invest heavily in stock funds, but have tended to favour conservative funds which offer above-average dividend yields and blue chip companies with proven earnings in a down-cycle, according to Mr Stephen Norwitz, vice president at T. Rowe Price Associates, the fund managers.

Mr Norwitz said that only the high-yield category of his company's funds had seen a significant outflow, reflecting the sorry state of the junk bond market.

Another sign of the new conservatism among individual investors has been the enormous popularity of money market mutual funds, which invest in cash-like instruments such as Certificates of Deposits and short-term Treasury bills.

Mr Ira Nathanson, senior vice president at Kemper Financial Services in Chicago, said that the Kemper Money Market Fund grew by 3.7 per cent between October 10 and November 14, from a total portfolio balance of \$20.83bn to \$21.6bn. The average growth for the industry over the same period was 3.4 per cent.

That spurt in money market fund investment partly reflects increased nervousness about the stock market after the mini-crash on October 13, but this kind of defensive investing has been increasingly popular.

One of the most notable trends since the 1987 Crash - which helps explain the lack of panic after October 13 - is

ing heavily in money funds - we knew that 12 months ago," said Mr Nathanson. "But investors don't consider it sitting on the sidelines. Being in money funds used to be part of a savings strategy, but they have taken on more of an investment culture."

A Gallup survey conducted in the three days after the mini-crash, commissioned by Fidelity Investments of Boston, supports the view that investors had been positioned conservatively for some time and were not fazed by the increased volatility around October 13.

According to survey results taken on Monday, October 16, only 3 per cent said they planned to sell individual stocks over the next few weeks, while 15 per cent said they would buy individual stocks. The figures were identical for stock mutual funds.

A very high 83 per cent of those polled said that they were investing in the stock market for the long-term.

One of the most notable trends since the 1987 Crash - which helps explain the lack of panic after October 13 - is

that individual investors are far less speculative than they used to be and trade their portfolios much less actively.

Mr Michael Hines, vice president of marketing at Fidelity, notes that exchange moves his in which an investor moves his or her money from one type of fund to another, has dropped to about half the level seen in early 1987.

"Investors no longer want to play the market. This is sedate money, not play money," commented Mr Hines. "Investors, and the US in general, have gone from a live-for-today mentality to one in which they want to prepare for the future. He said investors are thinking in longer-term time horizons and are keener than ever to diversify their portfolios. They are also saving more of their incomes, a trend that became apparent as far back as 1987."

The message from companies that deal extensively with individual investors is that they are well-educated and are deeply sceptical of swallowing buy and sell advice from brokers who are suffering from their reluctance to trade their portfolios actively and therefore generate commissions.

Kemper's Mr Nathanson said: "We think that we are dealing with the most intelligent group of investors in history. In many cases, the public is way ahead in understanding the way this market works than the so-called experts."

'Investors, and the US generally, have gone from a live-for-today mentality to one in which they want to prepare for the future. Investors want peace of mind'

uses to drive terrified individual investors from the market.

At a recent hearing at the House Telecommunications and Finance sub-committee on stock market reform, Representative Ron Wyden of Oregon repeatedly asked Mr Richard Breeden, new chairman of the Securities and Exchange Commission, what measures he was prepared to take to limit programme trading and protect the small investor.

ASIA PACIFIC

Singapore holds upward course in mixed day for region

PICKINGS WERE mixed in the Pacific Basin yesterday, with Tokyo closed for Labour Thanksgiving Day, and the region's stimulus considered considerably in their effect.

SINGAPORE scored its seventh consecutive rise, accelerating again as the Straits Times industrial index closed 18.38 higher at 1,378.05 - a gain of 44.80, or 3.4 per cent, since November 14. Volume was described as comparatively thin.

Strong growth forecasts for the Singapore economy, the launch of several new funds aimed at Asia or south-east Asia by big Japanese and West-

ern houses, and high liquidity levels among the republic's banks were seen as reasons for the sustained upsurge.

KUALA LUMPUR had most of the corporate action at that end of the region, and rose in spite of disappointing results from Malaysia Airline System, where half-year profits rose only 1.6 per cent, and from Harrison's Malaysia Plantations, where interim earnings fell after a higher tax charge.

MAS fell 40 cents to 11.10 ringgit and HIMP lost 9 cents to 2.42 ringgit, but the KLSE composite index rose 3.62 to 494.49. Increased institutional demand and renewed interest

in blue chips overlaid the speculative interest which was at the root of yesterday's improvement.

AUSTRIA balked at a rising domestic dollar and the All Ordinaries index finished 5.8 lower at 1,631.9, after some early gains on a further increase in the gold price. Turnover was 151m shares and A\$291m, against 149m and A\$301m on Wednesday.

Bond Corp resumed trading when it confirmed that its delayed annual report had been despatched to shareholders, holding steady at 31 cents. One associate, JN Taylor, was also reinstated, but Bell Group,

another associate, remained suspended.

NEW ZEALAND recovered after a week of declines, the Barclays index rising 17.05 to 2,037.62.

TAIWAN turned up after seven sessions on the down grade, the weighted index gaining 96.16 to 10,094.44. Bargain-hunters went particularly for foods, cements and paper, following a 504-point slump during the same seven sessions.

HONG KONG drifted, with the Hang Seng index 11.23 lower at its psychological support level of 2,500.79. Turnover shrank further to HK\$78m from HK\$770m on Wednesday.

The colony's consumer price index jumped 10.4 per cent in October, provoking a forecast that its inflation rate would stay at about 10 per cent for the next six months.

SOUTH AFRICA

AN AFTERNOON rally by gold shares in Johannesburg mostly offset early profit-taking, leaving the JSE Gold Index slightly lower.

Anglo American, South Africa's largest mining group, eased R1.75 to R108.75 before reporting better first-half profits after the close.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY NOVEMBER 22 1989				TUESDAY NOVEMBER 21 1989				DOLLAR INDEX			
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change %	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1989 High	1989 Low	Year ago (approx)
Australia (85)	148.15	+0.2	138.46	125.18	+0.4	5.36	146.83	138.02	124.89	180.41	128.28	147.34
Austria (19)	144.46	-0.1	138.86	136.17	-0.5	1.79	144.66	136.91	136.83	172.22	92.84	100.00
Belgium (63)	145.90	+0.8	138.22	137.27	+0.5	4.03	144.80	137.04	136.59	145.90	125.58	134.40
Canada (122)	148.29	-0.2	140.48	125.63	-0.2	3.23	148.98	140.82	125.88	154.17	124.67	119.01
Denmark (38)	228.07	+0.7	218.42	218.81	+0.4	1.45	228.43	216.70	213.42	228.43	165.30	158.92
Finland (28)	118.57	-0.5	112.42	105.70	-0.7	2.97	119.29	112.90	106.47	159.16	116.87	130.84
France (127)	134.95	+0.9	127.84	130.61	+0.4	2.84	133.77	126.61	130.05	139.94	112.57	111.44
West Germany (96)	99.77	+0.6	94.52	83.86	+0.0	2.22	99.22	93.91	83.66	103.84	75.59	88.08
Hong Kong (48)	119.02	+0.8	112.76	119.40	+0.2	4.77	119.29	112.90	113.68	140.33	86.41	108.29
Ireland (17)	160.59	+0.0	152.13	155.62	-0.2	2.85	160.63	152.03	155.93	188.89	125.00	133.28
Italy (97)	90.92	+0.6	86.14	90.58	+0.1	2.52	90.38	85.54	90.47	96.73	74.97	86.34
Japan (48)	188.29	+0.7	171.38	170.98	+0.7	0.47	188.90	176.89	169.20	200.11	161.22	190.54
Malaysia (36)	198.98	+0.6	188.50	207.41	+0.6	2.59	197.73	187.14	206.22	209.22	143.35	141.47
Mexico (13)	288.13	+0.9	272.95	833.23	+0.9	0.82	285.43	270.14	825.43	326.81	153.32	173.84
Netherlands (43)	127.99	+1.3	120.87	118.89	+0.8	4.47	125.95	119.21	117.59	131.72	110.83	110.02
New Zealand (18)	74.41	+0.8	70.49	87.62	+0.8	5.29	75.33	71.30	80.02	83.18	62.64	71.50
Norway (24)	170.08	-0.2	161.13	158.77	-0.3	1.67	170.44	161.31	159.22	198.28	139.92	125.22
Singapore (26)	160.79	+1.1	152.32	145.23	+1.1	2.08	159.11	150.59	143.64	170.62	124.57	120.26
South Africa (80)	105.48	+1.2	101.19	148.37	+1.4	3.79	108.21	159.23	147.77	170.15	115.35	118.19
Spain (43)	125.48	+0.9	147.29	138.81	+0.4	3.82	154.07	145.82	136.27	169.75	143.14	153.18
Sweden (35)	161.01	-2.2	152.54	153.33	-2.0	2.23	164.58	155.77	158.48	188.94	136.45	137.43
Switzerland (64)	87.53	+1.0	82.92	87.39	+0.5	2.16	86.82	81.96	86.66	94.16	87.81	78.44
United Kingdom (305)	149.19	+0.8	132.81	133.61	+0.3	4.83	139.85	132.39	132.39	163.41	133.28	141.51
USA (546)	138.83	+0.7	131.52	138.83	+0.7	3.35	137.93	130.54	137.93	146.29	112.13	109.70
Europe (965)	124.97	+0.5	118.39	118.27	+0.3	3.55	124.35	117.69	117.96	132.95	112.63	116.33
Nordic (121)	155.42	+1.1	153.71	151.37	+1.1	1.88	157.19	158.21	155.06	173.38	137.95	131.28
Pacific Basin (888)	155.95	+0.1	174.25	174.08	+0.7	0.72	182.83	172.85	169.28	194.79	168.47	185.47
Euro-Pacific (1663)	160.42	+0.6	151.97	147.55	+0.5	1.82	159.40	150.85	146.78	168.98	141.58	167.89
North America (928)	139.30	+0.6	131.96	136.00	+0.6	3.34	138.46	131.05	137.18	146.66	112.79	110.18
Europe Ex. UK (690)	114.57	+0.3	108.63	109.28	+0.2	2.83	113.79	107.70	108.04	115.51	98.30	100.89
Pacific Ex. Japan (213)	131.54	+0.1	124.82	118.43	+0.2	4.84	131.44	124.40	118.18	140.05	111.53	124.88
World Ex. US (1858)	160.17	+0.6	151.74	147.06	+0.5	1.89	159.18	150.66	148.31	168.35	141.49	156.14
World Ex. UK (2098)	152.83	+0.7	144.39	145.38	+0.6	2.00	151.61	143.48	144.54	156.04	138.98	138.06
World Ex. Sp. All (2244)	161.38	+0.8	143.41	144.48	+0.6	2.21	150.44	142.88	143.38	165.82	136.67	138.47
World Ex. Japan (1949)	134.04	+0.5	128.98	130.42	+0.5	3.48	133.31	128.17	129.81	140.43	114.51	115.22
The World Index (2404)	151.50	+0.6	143.52	144.19	+0.6	2.22	150.54	142.48	143.38	155.89	136.68	138.35

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EAST-WEST TRADE

The Financial Times proposes to publish this survey on:

8th DECEMBER 1989

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ANZ

Results to 30 September 1989

(A\$ Millions)	1989	1988	Percentage change
Gross Profit	\$1122.6	\$962.2	16.7
Net Profit Before Abnormals	\$721.7	\$505.4	42.8
Net Profit After Abnormals	\$518.0	\$505.4	2.5
Earnings Per Share	85.1c	71.0c	19.9
Dividends Per Share	44.0c	34.5c*	27.5

\*Does not include 1988 Special Dividend

Return on Average Shareholders' Funds

Highlights

- LDC debt provided for down to value in secondary market.
- Largest banking group in New Zealand, following acquisition of PostBank.
- Unmatched international network in 48 countries.
- Cost ratios continue to fall.

ANZ Australia and New Zealand Banking Group Limited

For further information and, when released, a copy of the Annual Report:

Greg Carrum, General Manager Investor Relations, ANZ Group Headquarters, 14th Floor, 55 Collins Street, Melbourne, Victoria 3000, Australia. Tel: 613-658 2184 - Fax: 613-658 2091

Mark Hill, Geogerson International, Bell Court House, 11 Blomfield Street, London EC2M 7AY. Tel: 01-588 6050 - Fax: 01-920 9450

# FINANCIAL TIMES SURVEY

**Electronic links between companies are already extensive, but within the next decade**

these links will be commonplace as a new information infrastructure develops and more businesses use computers to seek competitive advantage, says Alan Cane

## Strategies for the 1990s

THE FACT that the worldwide computer business is in the throes of unprecedented change is universally acknowledged; what is not so obvious is that the way computers are being used in business is changing just as fundamentally.

The cause is the emergence of low-cost microelectronics which makes it possible for the first time to apply computing power to distribution, retailing, marketing and other "front office" areas.

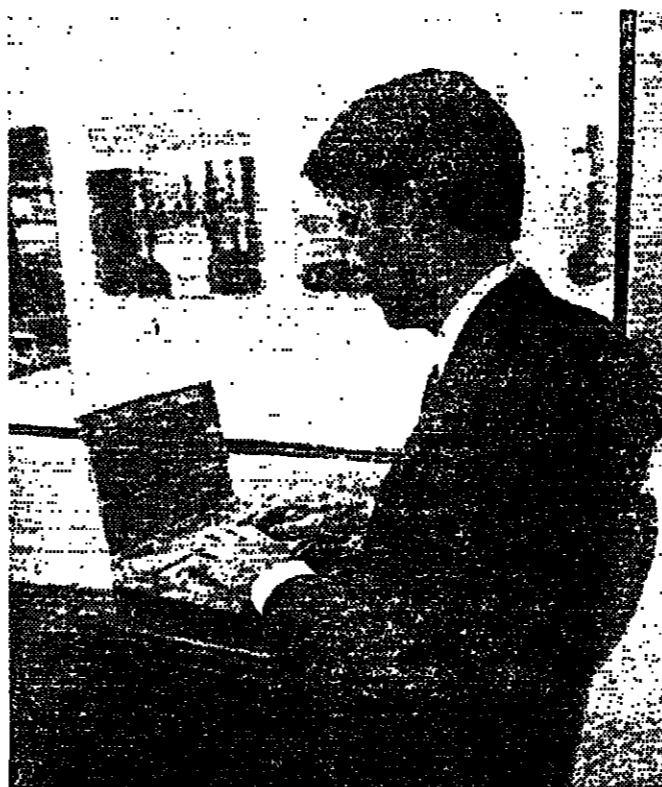
The consequences are proving to be dramatic; the power of the data-processing manager, traditionally king of a company's data-processing empire, is being usurped by a new kind of corporate animal - the information technology (IT) director.

Examples in the UK include Mr Ian Glenday, head of communication and computer services at Esso UK; Mr Gene Lockhart, board director with responsibility for business operations at Midland Bank; and Mr Colin Palmer, deputy managing director of Thomson Tour Operations. More than 60 per cent of larger UK companies now have or intend to appoint an IT director, compared with only 18 per cent five years ago.

In the US, where the distinction between line management and data-processing management is less distinct than in the UK, a more common title is chief information officer (CIO). The post is now firmly established there. There is, for example, already a glossy magazine, "The CIO," catering for their interests. Whatever their title, the IT director has a status and responsibility which far exceeds that of the traditional data processing manager. He or she may be a full board member, as in the case of Mr Lockhart, but one who more commonly reports to the chairman or the finance director.

They may take responsibility for both data-processing and telecommunications and may take a leading role in creating board-level awareness of developments in and the potential of IT. They will certainly be "hybrid" managers - that is, senior executives who combine a profound knowledge of the business in which their company is involved, plus a broad appreciation of the significance and potential of IT.

Their most critical role, however, is to find ways of integrating their company's corporate objectives with its business strategy. Surveys car-



# USING COMPUTERS IN BUSINESS AND INDUSTRY

ried out in Europe and the US have shown decisively that this is a major problem for the majority of companies and certainly the major problem for data-processing executives.

Over the past decade, the London-based consultancy, Price Waterhouse, has been carrying out on a quarterly basis a survey of trends in the data-processing business, not only in the UK but in the US, France, Japan and Australasia. Ten years ago, data-processing managers were chiefly concerned about recruiting, training and retaining adequate numbers of data processing staff.

Concern over recruitment was replaced by concern over meeting project deadlines. Computer projects are notorious for costing more than planned and being completed months, sometimes, years behind deadline.

### Software systems

At the same time, the need to keep a sizeable number of a company's systems staff on the job of maintaining (modifying and extending) existing software, meant that fewer programmers were available to develop new systems. As a result, most data centres have a backlog of systems-development stretching back two years, in some instances.

Data-processing managers were preoccupied with anxieties over reducing the backlog and meeting project deadlines throughout the 1980s. The industry responded with a number of initiatives designed to make the production of software easier. Fourth generation languages, for example, like Unisys' Line and Mapper which could accept instructions in something akin to natural language and automatically generate computer code, or computer-aided systems engineering (CASE) tools, like

Texas Instruments' Software Factory - designed to turn software development from an art to a science.

Over the past two years, however, the problem of integrating corporate objectives with data processing strategy has taken top place in Price Waterhouse's list of worries. Why should this integration seem so difficult? The answer lies in part in a particularly intractable problem - the intangible nature of the benefits of using information technology (IT). There is no question of the general acceptance that IT should be a key element in a company's strategy for competitive advantage. Some commentators argue, indeed, that companies which are not fully aware of the potential benefits of IT are already well down the road to receivership.

Yet proving this point beyond doubt can be difficult. There are a few case studies of companies which managed to seize competitive advantage using IT. The best-known in the US are probably American Hospital Supplies and American Airlines; in the UK, Thomson Tour Operations. All three were pioneers in building electronic links to their customers which shut out the opposition.

But the fact remains that there are no simple and infallible rules for the effective use of IT. A number of companies which have tried, for example, to copy American Hospital Supplies' strategy have come sadly and expensively adrift.

In one of the best-known strategic analyses, Dr Paul Strassman, formerly of Xerox Corporation, has shown there is no simple link between investment in IT and a company's return to its shareholders. For the most part, IT initiatives are still acts of faith. Many companies do not even try to quantify the results. Tying business and IT strategy together is also difficult because of the fact that there is a deep gulf, certainly in the UK at any rate, between data-processing professionals and business-line managers. There are good historical reasons for this. The cost and complexity of data processing has until recently kept it separate from the rest of an organisation's activities, a company within a company with its own language, regulations and career structure. Surveys over the years have shown that senior executives distrust their data processing departments believing that computer staff are chiefly interested in spending

money to chase technological dreams with no concern for the corporate objectives of the rest of the organisation.

Data processing professionals on the other hand are irritated by senior management's refusal to spend money freely on the kind of tools which would make systems development easier; they are infuriated by business managers' refusal to come to terms with the realities of data-processing. Attempts are being made to bridge this uncomfortable management gulf. The US and UK chapters of the Society for Information Management are seeking to bring line managers and senior data-processing professionals together in a joint approach to corporate strategy.

In the UK, the "Impact" programme established by the National Computing Centre under the directorship of Mr Lawrie Lawrence, formerly director of management services at Midland Bank is examining the nature of the gulf between IT and business professionals and attempting to establish a set of rules of best practice for IT. The British Computer Society has established a task force under Mr Palmer of Thomson to examine

PICTURED above, left: the production of Bedford vans at IBC Vehicles, Luton, is controlled by manufacturing software from Insight Database Systems, running on AS/400 minicomputers. The system has helped to make substantial cuts in lead times in introducing new models at IBC, a General Motors-Issuzu joint venture.

Centre: a travelling businessman using the new Compaq laptop computer which weighs only 6lb, offering full PC functionality. This LTE laptop system ranges in price from £1,455 to £3,250, depending on configuration.

Right: a financial executive working with an IBM PS/2 personal computer, using an IBM 8513 display, running on Project Manager software.

ON OTHER PAGES  
Developments in supercomputers, mainframes, minicomputers, personal computers, portable models, pages 2-4.

Technological leverage: fourth generation languages and software development, page 5.

Office automation; document image processing; communications, pages 6-8.

Industrial applications: computer-aided systems engineering; manufacturing controls, page 9.

Facilities management; skill shortages; debate on computer standards, pages 10-11.

Editorial production: Michael Wilshire.

Continued on page 2

# THE NEW COMPAQ SYSTEMPRO. STARTS AT THE TOP AND BUILDS UP FROM THERE.

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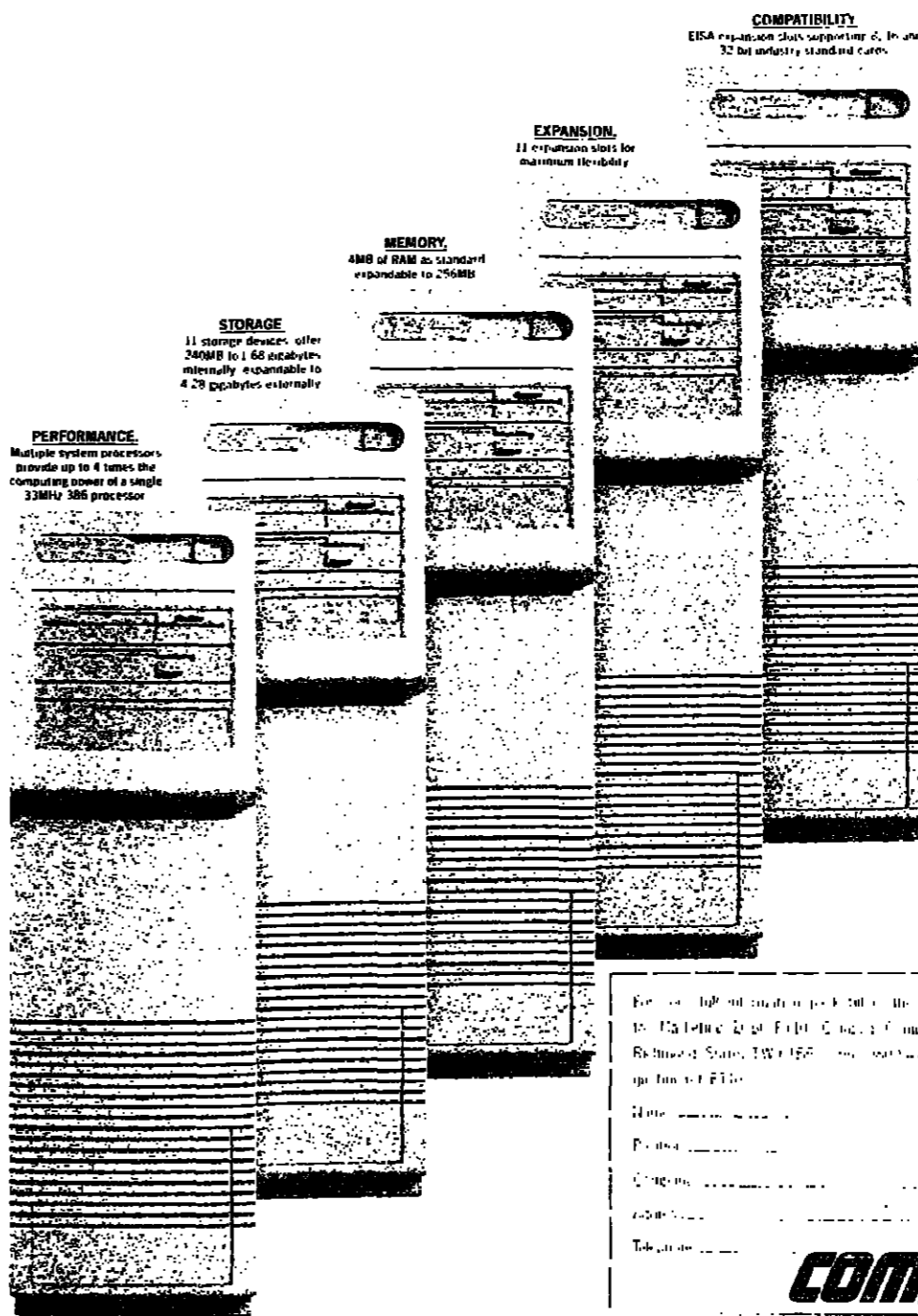
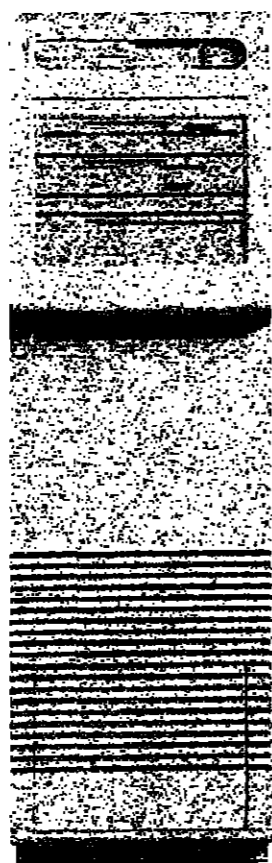
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USING COMPUTERS 2

Strategies

Continued from Page 1

ways of encouraging the development of hybrid managers.

These new hybrid managers/IT directors/chief information officers are already having a direct effect on the computer industry. A whole swathe of computer manufacturers is hitting financial problems just now, partly because new technology is playing havoc with the economics of their business, but also because IT directors are taking a more cautious approach to IT investment.

What do they want? According to a recent survey by the Unisys Users' Association, what will be wanted are secure systems that, first and foremost, are flexible, maintainable and therefore readily adjustable to meet changing business needs.

Electronic links between companies are already extensive and by the middle of the 1990s will be commonplace. They will form a new business information infrastructure, just as the postal system and the telephone system is the basic business information structure today. It will be the companies which can evolve IT strategies that take advantage of that infrastructure while giving them a unique competitive edge that will weather the storm best. The articles in this survey provide pointers to the technologies and strategies that will characterise the winners.

COMPUTER USERS' appetite for more and yet more processing power is seemingly insatiable. The financial sector, for example, would like to see its computing resource grow by between 40 per cent and 80 per cent every year.

Even so, supercomputers - machines designed to operate as fast as the available technology will allow - have so far found only limited application in the mainstream of business. Oil exploration companies use them for the complex calculations required in surveying and estimation of oil reserves; otherwise they are used almost exclusively for scientific and technical research, meteorology and astronomy. One reason is cost. Supercomputers are the most specialised of all data processing machines and their price reflects the single-minded devotion to speed that goes into their design. The top prices are around \$20m and even the oil companies cannot be expected to pay much more than that for their computer power.

There is, nevertheless, a catalogue of ways in which access to supercomputer power could help ordinary businesses. One of the most important is visualisation, the ability to create images on screen which can be manipulated in a realistic manner.

For aerospace and motor manufacturers this is already a commonplace activity. Automobile manufacturers have found it cheaper and more useful to "crash" electronic images of their products on screen than to write off the

real things (it takes, apparently 10 hours processing time on a large supercomputer to model the first 0.1 second of a crash). On-screen visualisation of this kind, however, is still a rarity among shoe manufacturers or dress designers.

Two new trends, however, are influencing the shape of the supercomputing industry and changing both the competitive pattern and the cost structure. First, the emergence of Japanese computer companies as a force to be reckoned with in supercomputers. Second, the advent of mini-supercomputers, high performance machines designed for both scientific purposes and for business automation with much of the power of full blown supercomputers at a fraction of the cost.

Until this year, there were only five companies building traditional supercomputers: the US companies, Cray Research, with a two-thirds share of the 350 or so machines installed worldwide, and Control Data and the Japanese companies NEC, Hitachi and Fujitsu.

Cray Research had seemed to have an unassailable lead both in sales and technology. In April, however, NEC unveiled a new machine which

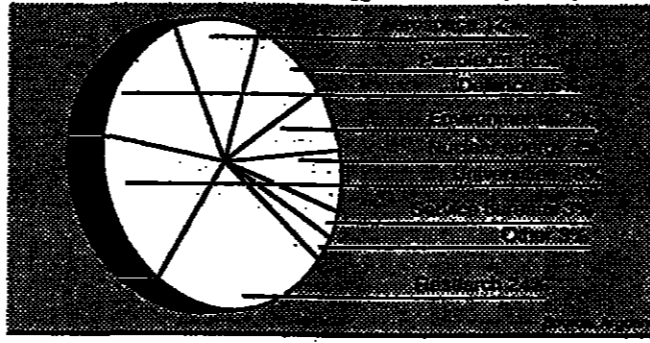
THE SUPERCOMPUTER SECTOR

Entering a traumatic period

The US still has the world lead in supercomputers, but it will take the Japanese only five years to catch up, as Alan Cane explains.

How supercomputers are used worldwide

Research institutions are by far the biggest users of supercomputers



seemed for the first time to offer a challenge to US supercomputer supremacy. Its SX-3 supercomputer, priced at \$94.2m, is said to run at 220m operations a second, more than five times faster (on paper, at any rate) than the fastest Cray, the YMP-8.

To be fair, the Japanese claims were met with a mea-

sure of scepticism by supercomputer experts who pointed out that peak performance figures can be an unreliable guide to system performance.

But what made them sit up was the fact that NEC had, for the first time adopted Cray's technique of tying a number of processors together - four in the case of the SX-3 - to boost

performance. The experts believe that the US still has the lead in supercomputers but are forecasting that it will take the Japanese only five years to catch up - and that by the turn of the century, Japan will be the dominant supercomputer manufacturer.

In the middle of the year Cray and Hitachi signed a licensing deal that allows the two companies to pursue their separate supercomputing strategies without fear of infringing each others' rights.

The US supercomputer industry is, however, going through a traumatic period. In April, Control Data dropped out of the business altogether after it became clear that its precarious financial state could not support the \$100m or so required annually in research and development expenditure simply to keep in the race.

It signed a joint marketing agreement with Cray giving its customer's access to Cray's supercomputers while Cray's customers had reciprocal access to Control Data's commercial mainframes and workstations.

A few months later, Cray spun off its leading edge technology into an independent operation run by Seymour Cray himself. The new company, Cray

Computer Corporation, is working on a machine called the Cray-3 based on circuitry using a semiconductor material called gallium arsenide which offers processing speeds several times faster than silicon and immersion cooling technology. It is, everybody agrees, a risky project but one which could determine the future development of the industry.

Most of the design work on the Cray-3 has been carried out, according to the company, and a two-processor prototype is planned for mid-1990 with a 16 processor prototype to follow in mid-1991. Meanwhile, Cray Research is developing the Cray C-90 along more orthodox lines using silicon technology and conventional cooling technology.

For the majority of companies, however, the best chance of access to supercomputer power lies in the raft of mini-supercomputer companies which have sprung up in the past few years. The pioneer in this area was FPS Computing of Beaverton, Oregon, which originally developed "bolt-on" mathematics units to give conventional mainframes super-

computer-like performance. Its latest machine, launched earlier this month, costs between \$204,000 and \$2.5m and uses the Unix operating system. These days it has plenty of competition from companies like Sequent, also of Beaverton, Thinking Machines of Cambridge, Massachusetts and Convex Computer Corpo-

The new supercomputer from NEC of Japan is said to run at an astonishing 22bn operations a second. This model, the SX-3, is priced at \$24.2m

ration of Richardson, Texas. These young companies have basically used the latest micro-electronic technology to build systems which offer substantial computing power at an affordable price - typically between \$300,000 and \$1m. The technique is to connect a number of microprocessors in parallel - in an extreme example, Thinking Machines's Connection Machine has 64,000 processors connected together.

Recently it sold two of these machines to Dow Jones for an electronic information-retrieval service which allows unskilled customers to browse through a library of information culled from newspapers and magazines. An FPS Computing system to be installed at St Andrew's University, intended for cancer research, will deliver 35 per cent of the power of a Cray X-MP for just over \$300,000. The dawn of supercomputing for everybody seems at hand.

Traditional roles are being usurped, says Louise Kehoe

Minicomputer makers face a dilemma

AS SOME will remember, the scheduled year of "the US in the middle" was great fun - unless you happened to be stuck in the middle. In today's computer industry that is the plight of traditional minicomputer makers. Caught between the high-growth microcomputer segment and the mainframe stronghold, they are left grasping for balls that fly over their heads.

The price and performance advantages that boosted minicomputer sales in the 1970s have been overwhelmed by less expensive microcomputer-based systems in the 1980s.

Powerful personal computers and computer workstations, linked by networks, are increasingly usurping the traditional role of the minicomputer in business computer systems. Scientific workstations provide individual researchers with the power of a minicomputer on the desktop.

In the latest demonstration of this technology trend, Compaq Computer, the personal computer manufacturer, launched a direct attack on the minicomputer market with its first multiprocessor system, a \$16,000 to \$25,000 system that outperforms minicomputers costing \$75,000 to \$200,000.

Compaq's Systempro is six times faster than Digital Equipment's VAX 6300, but costs \$125,000 less, claimed Rod Canton, Compaq president.

Matched against IBM's AS/400, the Compaq computer performed typical file operations in a network-server environment nine times faster, while it outpaced Hewlett-Packard's HP 9000 by a factor of three.

In the face of such challenges, minicomputer makers must find a new role for their products in the 1990s, say industry analysts. Already several of the largest minicomputer makers have taken steps to re-align their businesses, in some cases making major cutbacks.

Signs of stress are clear throughout the minicomputer industry. Data General, which

is estimated to hold a six per cent share of the US minicomputer market, laid off hundreds of workers last year and closed plants. The company reported losses of \$118.7m for the fiscal year ending in September.

Wang Laboratories is also facing an earnings and revenue decline as it attempts to revamp its product line. The company recently reported first quarter losses of \$20m and is expected to cut thousands from its already reduced workforce before the end of the year.

Prime Computer emerged from a bitter takeover battle in August when a New York investment firm acquired 79 per cent of the company's stock. Acknowledging that uncertainties surrounding the takeover bid had affected its business, Prime recently reported losses of \$120m for the first nine months of its fiscal year.

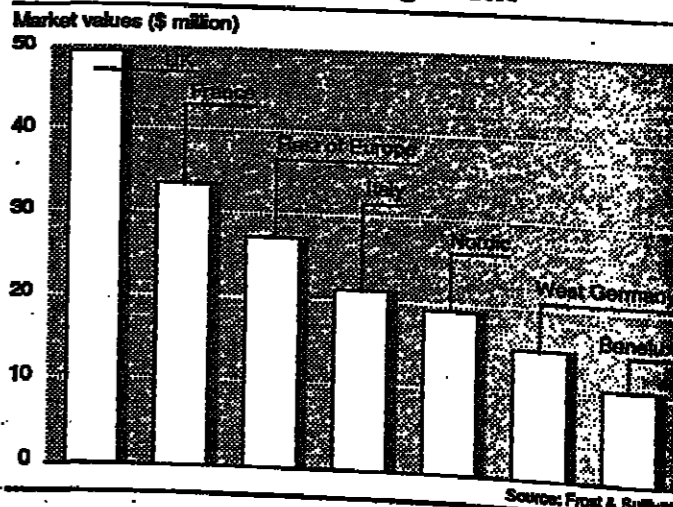
Over the next five years the mid-range computer sector is projected to grow more slowly than any other. According to analysts at Montgomery Securities, a San Francisco based investment bank, the mid-range sector will grow at about 7.5 per cent per year while mainframe sales grow at 8.6 per cent and the desktop computer market maintains annual growth of 14.7 per cent.

The efforts of some of the largest minicomputer manufacturers, such as Digital Equipment, Hewlett-Packard and NCR to expand their businesses beyond the minicomputer sector clearly indicate that these companies see more opportunities in other parts of the computer market.

Digital Equipment, the minicomputer market leader, recently launched a new family of products aimed at the mainframe market. Digital Equipment's new VAX 9000 is the company's most powerful computer the company has ever offered, with performance comparable to that of IBM's widely used 3090 mainframe computers.

With the launch of the 9000, Continued on page 3

European network management



Heavy data traffic on the communications systems of Europe could give rise to a \$622m market for network management systems (NMS) by 1992, according to a new study by market analysts, Frost and Sullivan. The use of shared information as a corporate resource and the resulting dependency on networks and information

systems has led to interlink and control software, incompatible systems in a fast-moving market, says the report which costs \$3,400. The European NMS market last year was worth \$175m, with the UK the largest single market, (\$49m). More details from Frost and Sullivan, London, telephone 01-730-3438; fax 01-730-3343.

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USING COMPUTERS 3

MAINFRAME SYSTEMS

# Definitions are changing

Despite predictions of "the death of the mainframe," sales of these large scale systems continue to increase, says Clive Cookson

and microcomputers. Another point - which is even more threatening to the idea of the mainframe as a powerful general-purpose computer - is that the servers are expected to become increasingly specialised. Some would be designed to hold and manage a huge database, some to carry out on-line transaction processing as efficiently as possible, some for extremely powerful graphics modelling, and so on.

The pure vision of client-server computing leaves no room for mainframes as we know them today, but even true believers concede that this will not come to pass for many years. And even if it does, there will be a long transitional period during which computers similar to today's mainframes will act as servers for many general commercial applications.

Publicly about "the death of the mainframe" has not deterred two companies which made their fortunes out of minicomputers - Digital Equipment Corporation (DEC) and Tandem - from moving into this sector. Last month both companies announced their first mainframe products. DEC says its new VAX 9000 "marks the changing definition of a mainframe by adapting it

The other mainframe manufacturers have, of course, been claiming for decades that their computers are cheaper and more reliable than the comparable IBM products - and IBM continues to dominate the market.

According to the International Data Corporation (IDC), 57 per cent by value of the large computers sold in Western Europe in 1988 were made by IBM. (IDC does not use "mainframe" as a market category because of the problems of defining the term accurately; instead it uses "large-scale system", defined as one costing more than \$2m).

In the US, where European companies such as Siemens, Bull, ICL and Olivetti have little or no presence, IBM's position is even stronger with about 70 per cent of the mainframe market.

Although some experts have predicted that the entry of DEC and Tandem will revive growth in the mainframe sec-

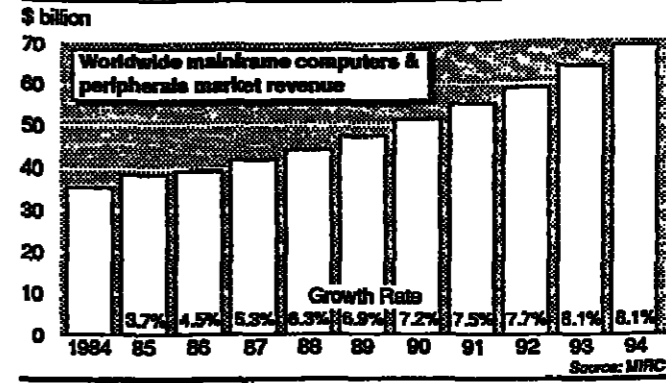
tor, Mr Martin Hingley of IDC does not agree. "We are not bullish about the market for large-scale systems," he says. "We do not think that DEC and Tandem will prevent the number of systems sold declining." IDC forecasts a decline in Western Europe's installed base of large computer systems from 8,015 in 1988 to 7,865 in 1989, followed by an increase to 8,550 in 1994.

What then are the benefits of mainframe computing that networks of smaller systems cannot provide?

"High availability, system reliability, disaster tolerance and service security" are the answers, according to Mr Hingley of IDC.

His company's Series 39 mainframes originally introduced in 1985 and featuring chip technology from Fujitsu of Japan, are designed so that two or more "nodes" (separate processors linked by fibre optic communications) can be installed in different buildings up to 500 metres apart. Under

Worldwide mainframe computer sales



normal circumstances the nodes work together as a single computer but if one fails - either through an internal malfunction or because of an external disaster such as fire or flood - the other(s) will take up its complete workload as if nothing had happened.

A major problem faced by all mainframe suppliers and users is developing software to run specific applications. This really is a "software crisis" - meaning that large systems tend to be delivered late and over-budget and, when they do eventually start running, a lot of expensive programmers still have to be employed to keep them going.

Most systems in use at the larger mainframe sites are developed in-house because available software packages do not provide sufficient competitive edge or differentiation. To help this process, the hardware suppliers and independent software companies provide "software tools" with which users can develop their systems as efficiently as possible.

Optimists believe that these tools will enable the industry gradually to overcome the software crisis during the 1990s. If so, they will help to keep mainframe computers alive into the next century.

## Awards for diverse supercomputer applications

AN INDICATION of the problems which supercomputers alone can solve these days comes from the Cray GigaFlop performance awards, given each year to computer scientists using supercomputers running at over one billion floating point operations a second (gigaFlops), a measure of computational speed.

This year there were 24 awards given in areas as diverse as aerospace, finance, medicine, petroleum research and weather forecasting.

One group including physicists from the US, Switzerland, the UK and West Germany won an award for work on the modelling of the doughnut shaped cloud of hot gases which lies at the centre of a nuclear fusion reactor.

The stability of this cloud is essential to successful nuclear fusion. The physicists used software called Torschlore to model the cloud. It required 34m arithmetic operations on a Cray Y-MP and took 39 seconds. The machine reached a sustained speed of 1.78 gigaFlops.

A more down-to-earth example came from the financial sector where two US researchers developed an analytical fixed income model to price corporate bonds.

The model was developed at The First Boston Corporation in New York to process options on bonds - the computer calculates the value of an option at thousands of interest rates and points in time as it works backwards from the expiration date to the present.

The model calculates the value of the payoff, the difference between the market value and the strike price on the exercise date. It takes a Cray Y-MP running at 1.34 gigaFlops to tackle the calculation.

The European Centre for Medium Range Weather Forecasts at Reading in the UK uses a Cray Y-MP to create models depicting the weather up to ten days ahead. The first model was run on the Cray 1 supercomputer in 1983 and it has been upgraded continually ever since as the computer power became available. The machine runs the model at 1.14 gigaFlops.

Alan Cane

FOR AT least five years some industry commentators have been predicting the demise of the large central mainframes in favour of "distributed systems" of smaller computers working together.

At the same time sales of mainframes have continued to increase - not as fast as other sectors of the market such as personal computers, workstations and supercomputers - but at least there has been slow growth rather than contraction.

So far, "the growth of intelligence on the desk has created more rather than less demand for central processing power, mainly in the area of managing large databases and network operations," as Mr Tom Hinchliffe, mainframe systems director of ICL, puts it.

Whether the same effect will continue during the 1990s is a subject of intense debate among computer industry theorists. The buzz phrase for the next decade is "client-server computing." This means that individual users (the clients) will have small front-end machines to handle their local processing needs and user interface. These will be connected to back-end machines (the servers) with much more powerful processors and memories.

One point about the client-server architecture is that it does not have a hierarchical network; clients and servers share the networking functions and communicate as equals. This is unlike the traditional mainframe controlling a network of subordinate terminals

## PCs and workstations imitate each other, says Della Bradshaw

# 'A crisis of identity'

WHEN is a personal computer not a personal computer? When is a workstation - or so many PC manufacturers would have us believe.

Sorting out the PC from the workstation can be a grueling and confusing task. But many companies are finding that, by their workstations or PCs, these desk-top machines, linked together, can replace the mid-range computer system for routine office or industrial processing.

The identity crisis in these two types of machine has arisen because each is trying to imitate the other. The workstation used to be the domain of the scientific or industrial design-user. It was expensive and it was powerful, characterised by the "three Ms" - one megabyte of memory, one Mips (million of instructions per second) of performance speed and

a million pixels (picture elements) on the screen.

But now, with the falling price of computer hardware, workstations from traditional manufacturers, such as Digital Equipment, Sun, Hewlett-Packard (HP), Apollo (now part of HP) and Integraph, are proving less and less expensive to buy, and are rivaling the top-end office PC in price.

At the other end of the scale, PCs are becoming more and more powerful and apting their cousins, the workstations.

For example, IBM's latest PC, the sophisticated PS/2, displays three of the features that purists say characterise the workstation: it is networked; it has a multi-tasking operating system - several tasks can be

performed on the screen simultaneously; and it has high quality graphics.

Confusion aside, the networked PC or workstation is proving an economical alternative to many traditional minicomputer systems. But when do you opt for the mid-range machines, and when do you go instead for a clutch of PCs or workstations?

According to Roger Dowling, manager of office systems marketing at UK computer manufacturer ICL, three factors should be taken into account:

- How many people need to get access to the data?
- How frequently do they need access to this data?
- And how much is the company prepared to spend? (Net-

worked PCs or workstations can work out noticeably cheaper than attaching PCs to a mid-range host machine.)

As a rule of thumb, if the company relies on its employees to work on an individual basis - with each salesman, secretary or designer producing personal files to which only he or she needs access - then networked PCs or workstations are likely to be the most effective solution.

Each employee will be able to get rapid access to his or her own files - one of the problems with terminals attached to central computer systems is that the access times can build up, and produce unacceptable delays.

Continued on page 6

## Midrange

Continued from page 2

Digital is challenging IBM on "Big Blue's" home turf, the market for powerful mainframe computers. By extending its computer product line into the mainframe class, however, Digital may be able to prevent its minicomputer users from defecting to IBM for more powerful computers and their needs expand.

Working to expand its sales in the opposite direction, NCR Computer has focused its attention on the computer aided design market, while Wang hopes to revive its fortunes by specialising in image processing. Known primarily as a pioneer in the development of word processors and office automation systems, Wang is aiming to take a lead in what many believe will become a fast-growing segment of the industry.

Unisys is using new technology to revive its mid-range products. Earlier this year the company introduced a product that it calls a "desktop mainframe," a machine that offers mainframe-like performance at prices beginning at \$30,000. Built around proprietary

microprocessor chips, it represents the first of a new generation of computers, the company claims.

Hewlett-Packard has taken a radically different approach by revamping its entire computer product line with a new Reduced Instruction Set Computer (RISC) architecture. Industry analysts expect the company to increase its minicomputer sales by 20 percent this year, far outstripping market growth.

Also gaining market share is IBM with its AS/400 range of Computer. IBM has focused its attention on the computer aided design market, while Wang hopes to revive its fortunes by specialising in image processing. Known primarily as a pioneer in the development of word processors and office automation systems, Wang is aiming to take a lead in what many believe will become a fast-growing segment of the industry.

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PC NETWORKING SYSTEMS

USING COMPUTERS 4

Paul Abrahams examines "the second personal computer revolution"

# A rush for portable PCs

SITTING IN an airport lounge in the US, it is clear that a technological revolution has overtaken the business community on the other side of the Atlantic.

As you await the call for your air-traffic-control delayed flight, smart-suited men and women are hunched in telephone kiosks, their faces illuminated by the screens of their portable computers, as they ring putative customers whose details are contained on data bases. You are perhaps reading Playboy magazine - they are making money.

For portable computers are becoming bigger by being smaller. Their decreasing size and falling cost mean that the market for such products is becoming increasingly important for computer manufacturers.

That importance is demonstrated by the large number of computer companies which have entered the market over the last year and those expected to do so soon.

Last autumn, Compaq finally launched a portable product. And this year Apple Computer entered the market nearly four years after the first rumours filtered through that the company was planning such a machine. Atari and Hitachi also launched portable machines during the last year. Analysts expect that it is only a matter of time before IBM re-enters the market after two previously disastrous forays into the laptop arena.

The reason why these companies have decided to enter the portable market is that it now represents the fastest-growing sector of the portable computer industry. The rapid growth in sales of standard PCs now appears to be slowing down - some estimates reckon that the PC market will decel-

erate from 7.4 per cent in 1988 to about 2 per cent by 1990 - and companies are hoping to maintain their own impetus by hitching on to the portable revolution.

Dataquest, the US-based market research company, estimates that worldwide sales of portables (which it defines as being able to use self-contained battery power) should increase from 317,000 units in 1988 to more than 3.5m by 1993. Given that the market was worth \$2.35bn in 1988, it is clear why companies are scrambling to enter the portable industry.

One of the main reasons why portable machines are selling so well is that the technology now exists which allows more or less full PC functionality - without having to trade it for

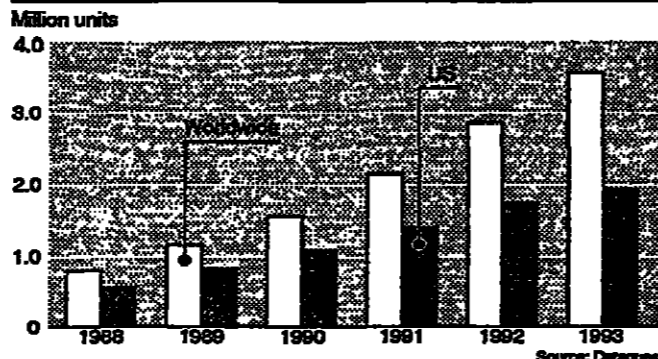
**Products types range from laptop to desktop portable, luggable, transportable, and, more recently, mobile, hand-held and palm-top models.**

excessive weight, short battery life, or exorbitant prices. These technological innovations include:

- Liquid crystal display screens, which provide clear images in poor lighting conditions. The last barrier to true PC equivalents - colour - appears to be cracked. Hitachi has recently launched a portable machine with a full colour screen. Other manufacturers are expected to follow their lead imminently.

- Sophisticated power management systems which increase battery life. Early machines could only run on batteries for short periods of

Forecast portable PC shipments



time. However, manufacturers claim that recent integrated circuit technology allows their machines to work for much longer.

For example, Paion, the UK portable computer manufacturer, said that its latest machine can run for as long as 75 hours on a single charge. Intel has also produced a low-powered version of its 80386SX micro-processor especially for portables.

- Miniaturisation. Manufacturers, particularly those in Japan, have invested heavily in very large-scale integrated circuit technology, and are looking at ways of using both sides of printed circuit boards to reduce weight and size yet further. They are also looking at the possibility of using solid state technology to do away with heavy disk drives.

This process of miniaturisation should eventually allow Japanese companies to compete with established PC manufacturers, believes Mr Atsutoshi Nishida, senior manager of international operations for information and telecommunication systems at Toshiba.

"We are seeing the same process that occurred in calcula-

tors," says Mr Nishida. "The customer is demanding a thinner, smaller, shorter and lighter computer. This plays to Japanese strength because we are already conscious of the considerations of space."

"We are witnessing the second personal computer revolution," says Mr Nishida. "The first was the personal computer itself. Now it is the replacement of the desk-top by the portable. By 1989 70 per cent of all PC sales will be laptops. Things are moving fast - at the beginning of last year, we thought it would be only 55 per cent."

What Mr Nishida believes will fuel this growth - and what makes portable computing so interesting for business and industry is the widening range of products available for different applications. There has always been some difficulty in defining what exactly portable computers are - that is clear from the plethora of names used to describe the products from laptop to desktop portable, luggable, and transportable.

But this variety in terminology now appears to reflect the different types of machines

available. The requirements of an accountant for an outside audit will necessarily be different from demands of a shop-floor operative entering data for a just-in-time and work-in-progress computer system.

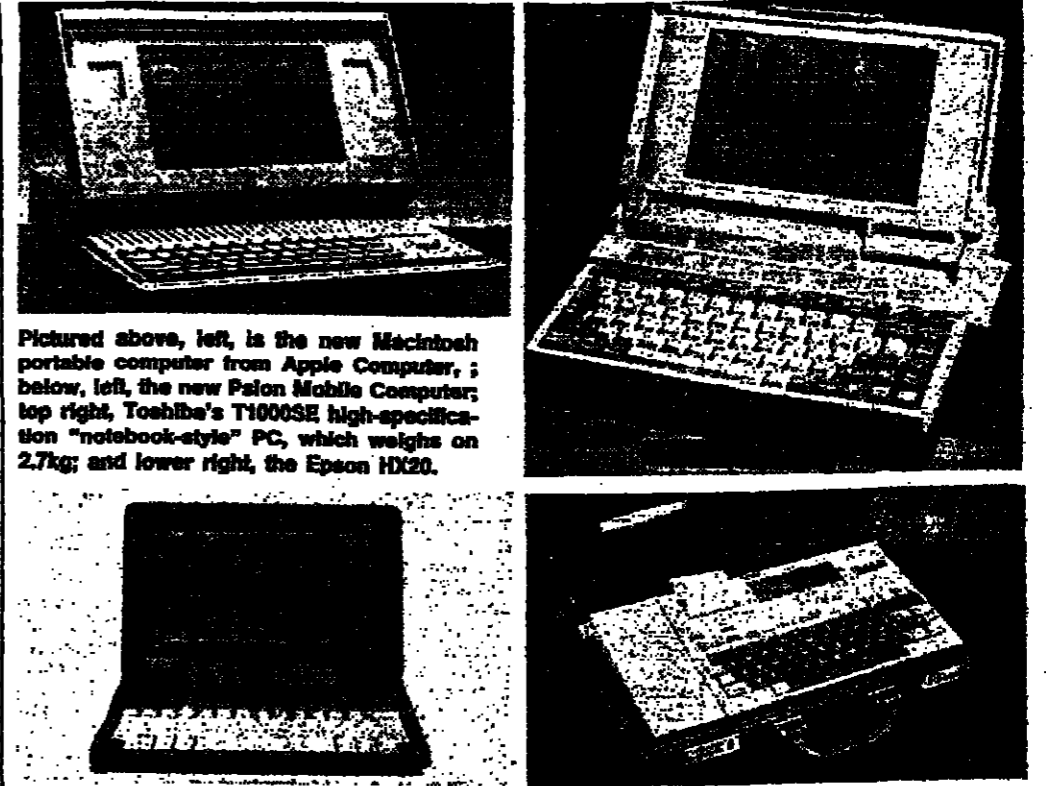
The broadening range of machines with different compromises between function, weight and price means that most businessmen should be able to find a product that suits his personal needs.

Dataquest in the US believes that much of the success of both Zenith and Toshiba in dominating the market has been based on the ability to provide this wide range of products. In the future, it expects manufacturers to provide portable computers based on a modular design, which allows customers to configure their portables to meet their own requirements.

Analysts see the market separating into three different areas. At the high end of the market will remain the desktop portable and the battery-powered laptop.

Perhaps most exciting is the development at the low end of the market of the hand-held personal organiser, which also contains spreadsheet and word-processing capabilities. These machines, often in A4 format, though sometimes smaller, have applications in both business, as personal tools, and in industry, as data-capture devices.

"The main deterrent for the volume growth of portable computing has been price," explains Brian Pearce, a research analyst at Dataquest in Paris. "The premium for portability has been too high. Now, with the advent of these extremely light and relatively affordable machines, the low end of the market should experience rapid growth."



Pictured above, left, is the new Macintosh portable computer from Apple Computer; below, left, the new Paion Mobile Computer; top right, Toshiba's T1000SE high-specification "notebook-style" PC, which weighs on 2.7kg; and lower right, the Epson MX20.

## Lightweight laptops are a boon away from the office

AS WELL as lightening the burden of those who carry machines to and from the office, the arrival of new lightweight, laptop, battery-powered machines in the last few months is opening up significant business opportunities.

Among the earliest of these arrivals was the Victor V86P, advertised as the personal computer that "costs you \$900 less, and weighs-in four pounds lighter, than the most popular Japanese competitor."

While previous machines weighed 10, 11 or 12 lbs, or even more, these new ones all weigh well under 9 lbs. Certainly, some older and heavier models are portable, but there is a big difference between merely carrying a machine from your office to the nearby car-park - compared with having to carry the same machine home by bus and train. The new machines, some no larger than a telephone directory, can be slipped into a briefcase with additional papers and files, or even a spare shirt. But how much can be achieved with these machines?

Being fully compatible with the industry-standard office machines, they can use the same spreadsheet and word processor applications that have been standardised for the office. Equally important, an existing PC-user does not need to learn "new tricks." After all, the majority of users are not interested in technology - they want to get on with the job and then just transfer the data by moving a floppy disk from one machine to another, without having to learn any special techniques.

According to a survey conducted for Compaq among laptop customers and dealers last July, the factors stressed by end-users as most important after functionality are those affecting portability, weight and battery-power. When asked to specify a "wish list" of features

required, 55 per cent selected low weight (less than 7lbs) as a desirable feature. However, 82 per cent said that they would not purchase a lighter laptop at the expense of functionality.

Predictably, the range of machines just introduced by Compaq falls in line with the survey. They all weigh less than 7 lbs and offer the equivalent power of the widely used IBM PC/XT and PC/AT and "clone" machines.

Peter Manson, the company's sales director, highlights what he sees as the key applications for these new

**The new laptops can be easily carried in a briefcase, says Adrian Morant**

machines: "The market for sales force automation is growing fast. Sales people not only need access to information on the road - they need to be able to communicate directly to head office. New lightweight laptops, fitted with modems, make this level of automation possible."

Sandy Sanderson, managing director of EGB Micros, also highlights sales force automation as a growth market - "we supply a sales force automation program, SalesMaker Plus, which is primarily a sales-person's tool. Sales personnel are able to manage their own data, and they can dial up the sales database and update the information from the field. This reduces the amount of time spent and paper work generated in the office."

While this is true, especially in organisations having a large field sales force, there is probably an even greater number of people who need to use computers while away from the

office. In some cases the laptop will be their only machine, and for others it will be a portable model to complement the high-power equipment in the office.

Most users need easily-operated machines, especially when working away from the office and probably facing interruptions. This ease-of-use is well met by Toshiba in its 1000SE machine which features a "resume" mode. This allows users to return to the precise point they were in their work when they switched off the machine.

Nick Hall, marketing manager of Toshiba's Information Processing Systems division, says of the company's new 2.7kg "notebook" machine that "the emerging breed of serious 'notebook' users demand a smaller machine, but still need industry-standard storage media (floppy discs) and the power to run much of the normal PC software found in the office."

"This machine is the answer: I anticipate that its power and style will see it become the personal organiser of the next decade. Target-users will be mobile professionals, journalists, market researchers and field workers who demand maximum portability."

According to UK market researchers, Rountec, the laptop market is one of the fastest growing segments of the UK personal computer market with total unit sales in 1988 up by 229 per cent over 1987.

During the first six months of 1989, sales grew by a further 63 per cent over the same period a year earlier. These new machines, by opening up further segments of the market, will give an added stimulus.

One of these areas could be to members of staff to take a machine home where they could "learn by doing," away from the prying eyes of those who have already become computer literate.

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**USING COMPUTERS 5**

**Software developments: object-oriented technology could play a central role in the 1990s, says Alan Cane**

**A promise of big gains in productivity**

A NEW approach to developing computer software called object-oriented technology is promising to provide quite extraordinary gains in productivity. While it has only just begun to penetrate the commercial data processing industry, some experts are already suggesting that it will play a central role in all computer-related technologies in the 1990s.

Software written in conventional "third generation" programming languages like Cobol or Fortran are frequently inflexible and hard to maintain (code). This is a principal reason for the inability of data processing centres to respond quickly to requests for new systems.

"Fourth generation" languages which allow programmers to write instructions in something akin to natural language, leaving the computer to generate computer code automatically, have gone some way to solving the problem.

**Today's plight**

But as Daniel Bobrow of Xerox's Palo Alto Research Centre (Perc) pointed out recently: "Every time you develop a new program, you always seem to have to start all over from scratch."

"Even when the code seems to be very similar to code you have already built for another purpose, the new application you are striving to create requires ever so slight adjustments that make it difficult to use the same code again. That is the plight of today's software designers who are under the gun to churn out more and more new software ever more quickly."

Object-oriented techniques - which were, in fact, pioneered at Xerox Parc, seem to offer the best solution to this dilemma. Supporters of the technology include major software houses such as Microsoft and Borland International whose chief executive, Mr Philippe Kahn, says: "Object-oriented programming tools will enable the development of standard software components which will foster a revolution in the personal computer software industry."

And not only in personal computer software. Earlier this year a group of mainframe, mini and microcomputer manufacturers and users announced the formation of an Object Management Group to promote the new technology. They include American Airlines, Data General and Unisys of the US, Canon of Japan and Philips of the Netherlands.

Mr Christopher Stone of Data General, executive director of the consortium said: "Object management will be the next significant breakthrough in application environments."

So what are object oriented programming systems, (OOPS)? According to the London-based consultancy Ovum, which has made a study of the commercial benefits of OOPS, they are a way of developing a packaging software that draws heavily from common experience and the manner in which real-world objects relate to each other.

A software object can be thought of as a package or module with a name, properties that can be used to describe it and a characteristic way of behaving in response to a given stimulus.

It is not an easy concept to grasp; one approximation is the idea of a piece of software with elementary "intelligence". Each of the objects in an Oops has its own private memory and knows how to respond to instructions.

**Four features**

Ovum says an object-oriented system must have four features:

- Data and procedures are combined in software objects.
- Messages are used to communicate with these objects.
- Similar objects are grouped into classes.
- Data and procedures are inherited through a class hierarchy.

From a commercial point of view, the advantages are also fourfold. First, OOPS make it possible for the systems designer to model complexity with greater ease than using conventional methods.

Ovum quotes the example of a measurement system developed by Combustion Engineering of Columbus, Ohio, for its paper making machines. Each physical part of the sheet measurement system such as the

scanner, sensor and carriage in the machines is represented by a software object.

Second, object-oriented systems are designed for change. According to Mr Chris Semitt of Nantucket Software: "OOPS have the advantage of producing software which is simple to change whenever necessary and is therefore easily maintainable. This is because the details of the data implementation are not randomly spread around the system, but are concentrated in sub-routines which implement operations."

Third, objects are re-usable. This is one of the key advantages of object-oriented techniques. Companies can build libraries of commonly used classes of objects that are tailored to its specific needs and so can be used over again when required.

One company, Cadre Technologies, a computer aided software engineering enterprise based in Providence, Rhode Island, reckons to have reduced the amount of code needed for a new application by a factor of 5:1 through the re-use of existing OOPS modules.

Last, object oriented systems are maintainable - that is, easily modified. Conventional software involves series of procedures and data files which are packaged separately. A change in the data structure, can therefore affect many different parts of the overall system, so changes have to be made with great care. With object systems where documentation is sparse or absent, it is impossible to predict the effect of changing part of the system.

Object orientated systems, however, package data and procedures together. When data is changed, all the procedures affected can be changed at the same time.

Who is involved in developing object-oriented systems? The list includes Apple of the US, Groupe Bull of France and International Computers (ICL) of the UK, as well as a raft of smaller companies mostly out of the artificial intelligence stable including Glocksenspiel, ParcPlace Systems and Servio Logic Development Corporation.

ICL, for example, is involved in two major projects involving OOPS techniques. One is called Piss, or persistent information space architecture, the other IPSE 2.5 a project support environment that will offer automated controlled use of development processes that integrate management and development activities, formal methods, the re-use of information and transition in methods.

International Business Machines, the world's largest computer manufacturer is also powerfully involved in Oops. Its strategically important AS/400 midrange computer system uses software which is based on Oops principles.

**Serious attention**

Additionally, in 1986 it announced an object-oriented architecture for data connectivity called Distributed Data Management; this has become part of Systems Application Architecture, IBM's effort to link all its major systems from personal computers to mainframes together under a common operating umbrella.

Earlier this year it announced a new suite of office software based on object-oriented principles. There is therefore, plenty of evidence that the major players in the computer industry are taking Oops seriously. On the other hand, the data processing business is notorious for its willingness to believe that the latest gimmick is the answer to its problems.

How seriously should Oops be taken? It is, in fact, not a new fad. Dr Alan Kay, formerly of Xerox Parc, now working with Apple, created an early Oops with the language "Smalltalk" in the early 1970s. Dr Kay has been associated with a number of the most important ideas in modern personal computing, which gives Oops a pedigree of some distinction.

The patronage of Microsoft is also an important indicator. In 1989 it did a deal with Glocksenspiel, a Dublin company, for a version of the important Oops language, C++. The Ooms are that Oops will indeed take centre stage in data centre productivity.

*Object Oriented Systems: The Commercial Benefits; Ovum, 7 Rathbone Place, London W1 1AF; tel: 01 255 2670.*

THE SOFTWARE development aids known as fourth-generation languages (4GL) have come along way since their origins in the 1960s.

Viewed originally as a more efficient and easier way to produce application programs, the 4GL has evolved into an all-round productivity tool which will increasingly dominate the creation of software in the 1990s.

A survey from consultant Butler Cox, published in September, forecasts that, by the end of 1989, about 45 per cent of all applications software development in the UK will be performed using 4GLs or a similar "modern development tool".

This represents a 30 per cent growth in usage over the last year among the leading companies in the UK.

The first 4GLs aimed to bring the power of programming to non-programmers. In place of the complex code procedures which were the basis of programs written in languages like Cobol and Fortran, 4GLs brought a more disciplined approach to program building.

But it was quickly discovered that 4GLs were better suited to helping professional programmers. The result is that most 4GLs can now offer a set of features which is comparable to those offered by the preceding third-generation languages, like Cobol.

Some 4GLs, such as Information Builder's Focus, have begun to evolve into more comprehensive development tools

which approach computer-aided software engineering (Case) in their scope.

"We were extremely sceptical about going in the direction of Case," explains Gerry Cohen, president of Information Builders and the originator of Focus.

"But we saw that 4GLs offered an answer to some of

**The fourth generation language has evolved into an all-round productivity tool**

the problems of Case. Why generate Cobol code from Case when you can generate 4GL code?" he asks.

Focus has been re-packaged for the Case market as the Focus Application Construction Tool (Fact) and Information Builders hopes use this to spread its 4GL philosophy to the wider Case market.

Other 4GL suppliers have formed similar alliances. Panosopic is working to join its Talon 4GL to Index Technol-

ogy's Excelsior Case design tool, for example.

One of the benefits of this approach is to allow consistent code to be generated for different systems - a factor which is seen as of increasing importance in the coming decade.

"It is a multi-vendor world now and software developers must take account of the emerging standards and the integration of technology through networks," says Information Builder's Mr Cohen.

He points out that applications are increasingly being moved from large mainframe computers to networks of smaller ones servicing desktop workstations. This phenomenon, awkwardly termed "downsizing," has put additional pressure on development tool suppliers to produce software which cannot only work on different computers, but also operate across them.

Information Builder's plans for Focus, which already works on many different manufacturer's computers, include mechanisms which will make it possible to offer cross-system operation.

MS Systems, a UK company which devised the Metaphor 4GL, has approached this problem by aiming at the market for applications based on the Unix operating system.

Unix has become the basis of many hardware manufacturer's networked workstation products in addition to its ratification as an international standard through the US Institute of Electrical and Electronics Engineers (IEEE) Posix standard.

"Our Metaphor 4GL is aimed at the mid-range Unix system with between 6 and 60 terminals. We see Unix as a best option to cover a wide range of hardware and provide us with the basis of future growth," says Mark Rogers, managing director of MS Systems.

Metaphor has been used to develop applications as diverse as accounts and order entry to a current, typically appropriate project to build a package for general practitioners in the reformed UK Health Service.

Like most 4GLs, Metaphor is suited best to professional programmers and Mr Rogers sees it playing a key part in the

movement of applications software from old mainframe systems to the new breed of networked systems.

"There is a very high level of tools now coming out for the user to do a limited amount of programming. But the core of the old software written in Cobol is going to be re-written in 4GLs," he says.

**Around 45 per cent of the UK's software development involves the use of "4GLs"**

But Mr Cohen sees the influence of 4GLs stretching well into the future and does not see them being overwhelmed by the attention currently directed towards the Case market.

The latest technology to be brought into the argument is the so-called object-oriented, more properly referred to as object orientated, approach. Originating in Xerox's now-famous Palo Alto Research Center (Perc), object orientation

has crept up on the software industry in the last two years and is seen as a significant step forward.

"We are in the process of re-designing Focus to be an object-orientated tool for the 1990s," says Mr Cohen.

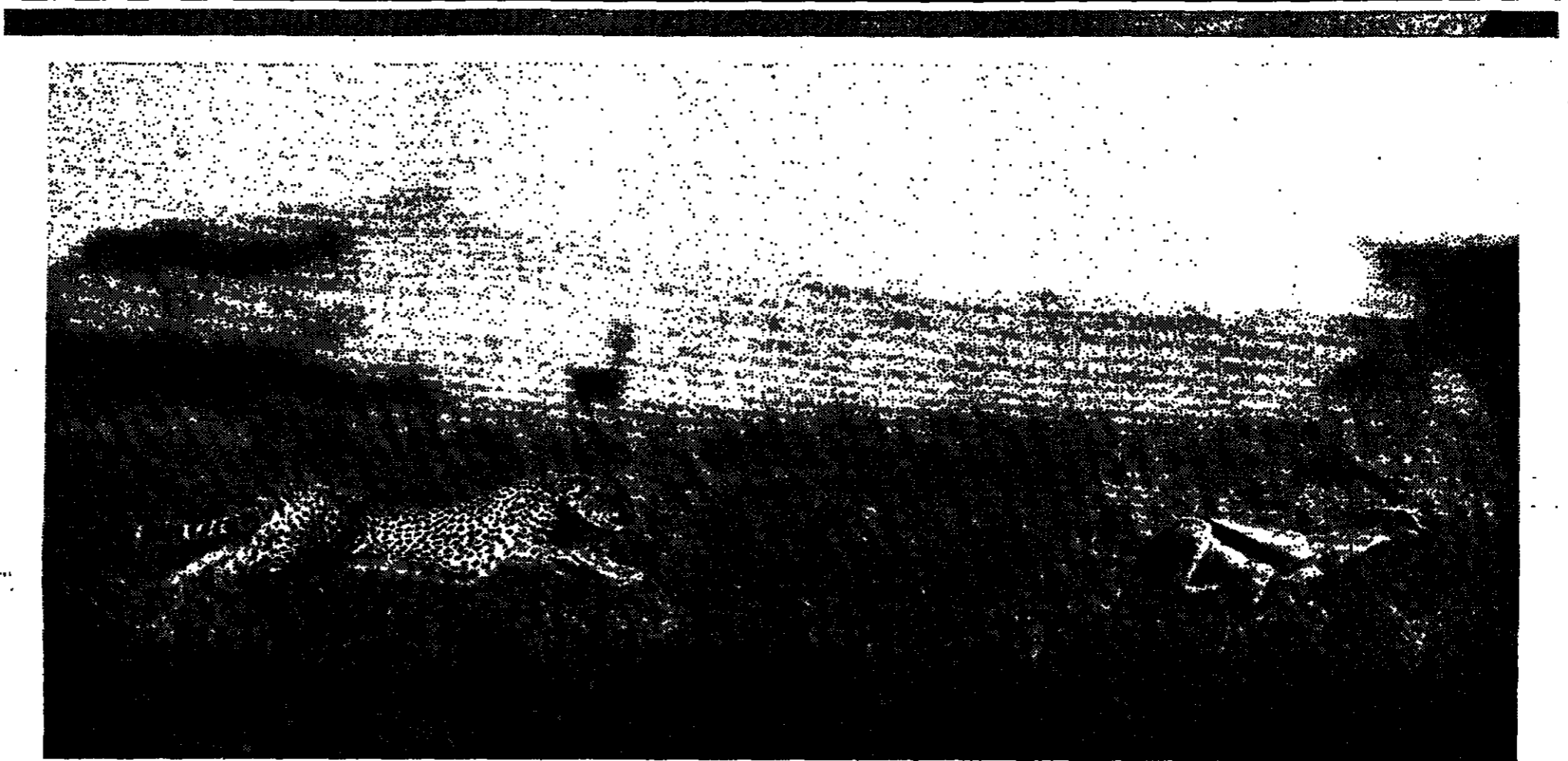
"This will enable us to impose a modular approach to design and make it easier to re-use existing code."

The re-use of code is a key part of the object-orientated approach to programming and promises even greater improvements in productivity than either 4GL or Case.

Under an object-orientated system like Xerox's Smalltalk or Hewlett Packard's New Wave, applications can be constructed from re-usable building blocks. This makes it easier to provide end users with usable programming power, as well as imposing disciplines on professionally-written code.

There is a strong possibility that the development of object-orientated systems will take some of the steam out of the demand for 4GLs. But this will not be for some time and suppliers such as Information Builders believe that they can accommodate such developments as they make their way into the mainstream.

The results of this metamorphosis of the 4GL should provide computer users with a better way to construct their own applications to suit their own needs as well as providing programmers with the tools to create the re-usable building blocks.



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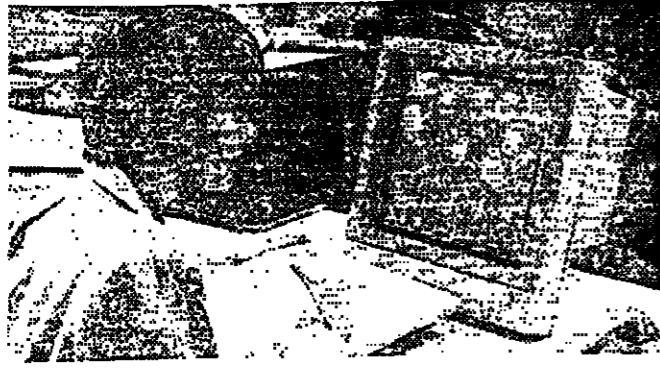


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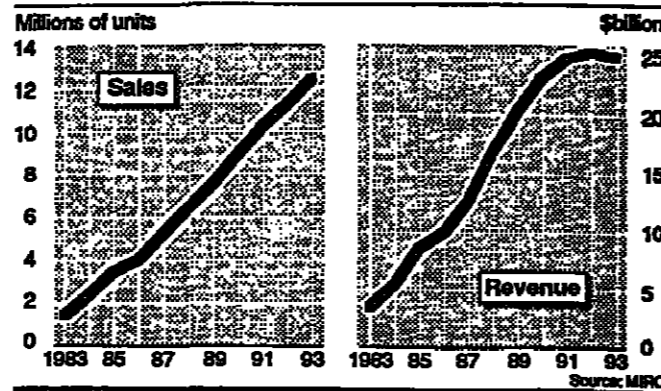
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## USING COMPUTERS 6



The innovative Wang "Freestyle" office information management and communications system.

## PC market worldwide



## PCs are becoming more powerful

Continued from page 3

In addition, each employee can introduce software for his or her personal use as quickly as necessary. This need was probably the main impetus behind the rapid growth in the PC market in the early 1980s. Frustrated by the length of time it took to get a piece of software onto the corporate mainframe, employees used PCs as a tool for cutting through the red tape - they could walk into a shop and buy a PC and an off-the-shelf software package to do the accounts or word processing.

However, if employees all need access to a central database on a regular basis, then PCs connected to a central mid-range machine, stocked with electronic files, is probably the answer.

Dowling estimates that if 80 per cent or more of the data is communal data, then this file-server approach is probably the most efficient.

The decision about whether to rely on networked PCs or to

use a larger more centralised system is rarely a purely technological one. A trend which has grown through the business community in the past ten years is to distribute staff around a number of locations. Companies then look to distributed data processing - such as networked PCs or workstations - to reflect the consequent distributed decision making.

**The networked PC or workstation is proving an economical alternative to many traditional minicomputer systems.**

So is the old-fashioned mini-computer really about to be phased out? Definitely not, say the manufacturers.

In its role as the departmental file server, the mid-range computer is seeing a new lease of life, reports Barrie Charles, workstations marketing manager for Digital Equipment in the UK - "as far as the traditional time-sharing systems are

concerned the market is flat," he says, "but as a dedicated client-server, the market for mid-range systems is growing strongly."

Although today's powerful PCs and workstations often replace many of the functions of the corporate computer system at a lower cost, they can produce their own set of problems.

Other potential problems include security - or, more accurately, the lack of it. Because PCs give a degree of power to the individual user, and because more data is stored locally, company employees can easily copy a disk or print out confidential information when they move on to their new job with a rival company.

This spectre, together with fears of computer hackers and viruses, has become a potential nightmare for many companies using, or planning to use PC or workstation networks. Because although a PC is just a PC, and a workstation is just a workstation, the data that is held on them is just as commercially sensitive as it was when held on the mid-range system or even the corporate mainframe.

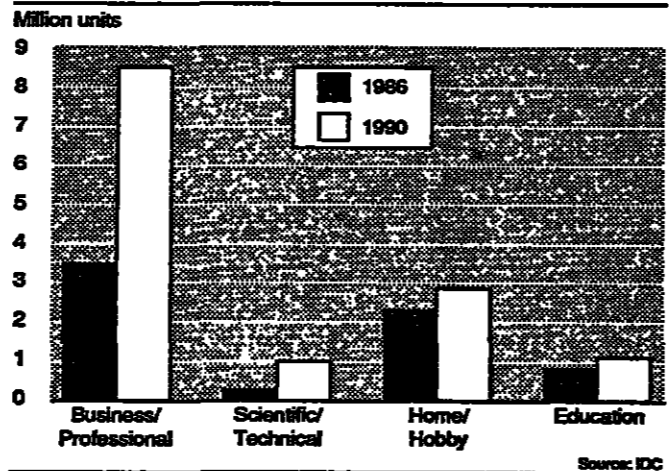
Wang sees manufacturers adamantly fixed in two camps - centred on the Open Software Foundation and Unix International - each camp supporting a different variant of Unix.

Other potential problems include security - or, more accurately, the lack of it. Because PCs give a degree of power to the individual user, and because more data is stored locally, company employees can easily copy a disk or print out confidential information when they move on to their new job with a rival company.

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## PC market sectors in the US



Pictured above: IBM's PS/2 model 80, with the ASCH 3151 Display Station.

## DOCUMENT IMAGE PROCESSING

## Fast route to efficient filing

**These electronic-image filing systems will radically change the way in which many office staff do their work, says Peter Knight**

OFFICE FILING must be one of the most boring but essential activities ever devised.

A relatively new computerised tool with a predictably complicated name - document image processing (Dip) - promises to improve the tiresome business of storing and retrieving records.

Dip is a form of filing where the whole image (for example, a client's letter) is stored electronically. The process involves passing the document through a scanner, much like a photocopier, which takes an electronic photograph called a digitised image.

The digital signals are then stored, usually on an optical disc. The image can be retrieved and viewed on an appropriate computer screen. It can also be printed.

Although the systems inevitably cost more than conventional filing and are a lot more complicated to run, Dip can deliver enormous benefits. For example:

□ Less storage space is needed.

□ Copies of the same file can be viewed by a number of different people almost simultaneously.

□ Copies can be transmitted to far-away offices.

□ The files are never lost because the original image remains on disc.

Dip, like all computer systems, can cause many problems. But more of this later.

There are two types of Dip systems. The first, and relatively inexpensive, is a simple electronic-image filing system where the documents are stored as images rather than on paper. These systems are usually separate from the computer system serving the office.

The second type offers greater flexibility because it combines software that enables the stored documents to be used on a much larger office system.

An example of this type of automated document-processing system is made by Philips of the Netherlands. Its established image storage system, called Megadoc, is now being linked to software that manages the flow of documents through an organisation.

Mortgage departments in banks, for example, can use the software to process applica-



Documents being scanned by a Philips Megadoc image-handling system at Legal and General, the insurance group.

tions for loans. A case worker can call up all the relevant documents simply by pressing a few buttons on a desk-top computer. Once the worker has completed the task the file is updated and automatically passes to the next person for processing.

Dip systems are already part of many office systems. The US Inland Revenue Service (IRS) is spending \$1bn over the next five years on an image processing system to handle some of the 20m tax return forms it receives every year.

On the other end of the scale, Amerada Hess, a US oil company operating in the UK's North Sea oil fields has installed a \$120,000 Dip system from UK supplier Kionics to store legal documents. Some local authorities in the UK are planning to use the systems to keep records of the UK's new local tax, called the community charge. Dip is also used in the financial and insurance sectors.

He says suppliers are re-thinking their position in the market and most are changing the nature of their business.

"Some are becoming component suppliers to larger vendors while others are choosing to sell the specialised software needed to control storage, retrieval and automated workflow."

"Suppliers that continue to offer total solutions (both hardware and software) have to compete with IBM and Unisys. And that's difficult," he says.

Dip is sold, sometimes rather over-enthusiastically, as a way of reducing the amount of space needed for filing, cutting the amount of time and the number of people needed to manage the process.

But experts emphasise that Dip should be viewed as a tool

rather than a solution to a problem. A mismanaged system can compound the problems it meant to solve.

"It is always tempting easy to automate existing systems. It is far more beneficial to use Dip to improve the organisation," says Marc Fresko a senior consultant with Peat Marwick McLintock.

Image systems are expensive. They need costly workstations, storage systems, scanners and printers. While the cost is coming down these systems are still comparatively expensive when compared with conventional electronic office systems.

The people who build a successful Dip systems need skills from many disciplines, such as archiving, data processing and communications. They also need to understand a range of relatively new technologies, such as high-resolution screens, scanners and optical storage devices.

A lack of standards, such as the way images are stored and the size of the discs, makes the technical understanding more difficult.

But more important, Dip systems change radically the way in which people do their jobs. Consequently, at the outset the system designers have to work with the people who will eventually use the systems. And the managers have to be able to plan for a change in the way work is organised.

These complexities have forced management to be cautious. Only a handful of UK companies have installed systems so far. Few have tried to integrate image storage with their existing office systems.

"In August, we counted only 50 systems in the UK and many of those were pilot schemes. The vast majority have no more than 10 screens," says Fresko.

Although he concedes that the job of managing Dip can be problematical Fresko is optimistic about the benefits that companies can reap from integrating the technology with their office systems.

"There's nothing to stop companies from getting the benefits now, but it will probably be another five years before most organisations attempt the exercise," he says.

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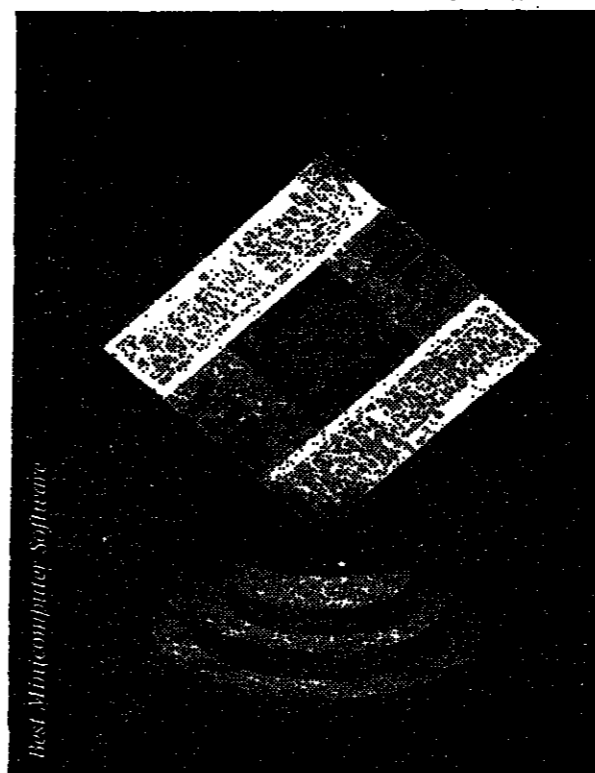
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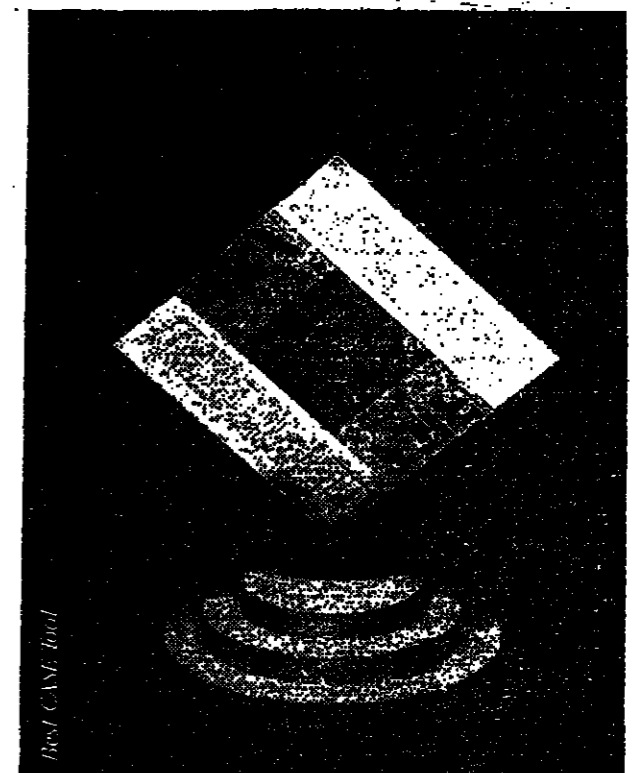
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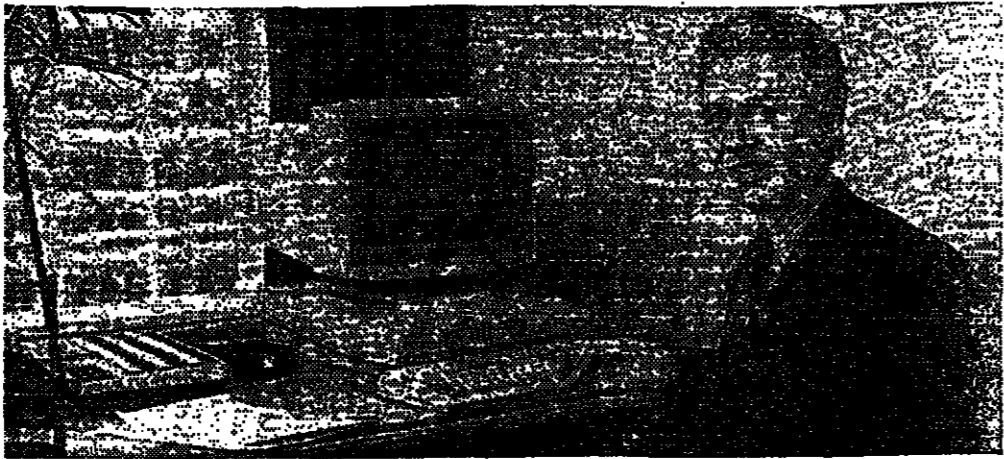
الرجاء انظر الى الجدول

USING COMPUTERS 7

Executive information systems

More on-screen help for the decision-makers

"I BELIEVE executives have been writing cheques for millions of dollars for information systems...



John Hargreaves, finance director at London Underground, pictured here with the Commander executive information system from Comshare.

That he argues, is why many executives are turning to software developed specially for high level managers - executive information systems, or EIS.

Corporation, the Massachusetts-based market research organisation. Four years ago, worldwide sales for such software packages were worth only \$6m (£3.1m).

solutions that they have to give together," says Discall. Technically speaking, EISs are diverse, using everything from mainframes to personal computers and a whole range of software technologies.

reporting, so executives can "drill down" through layers of information, to target in on relevant data.

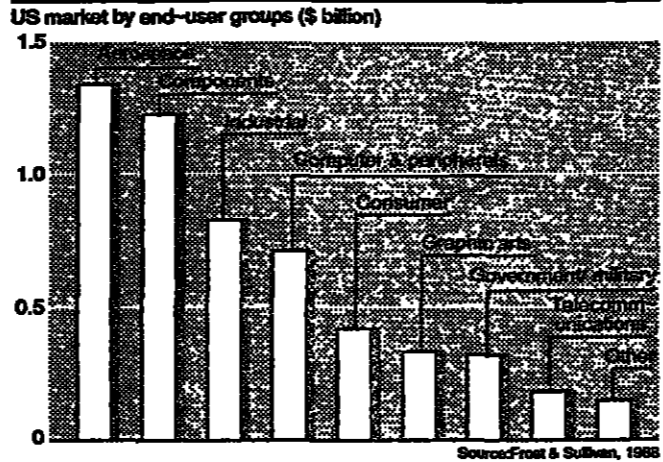
If one division of a company showed a spectacular downturn, for example, the manager could delve into the reasons for the failure. In the case of a manufacturing group the initial graph might give a break-down of sales by country. Stripping away a layer

Although all the data displayed on the EIS screen is available elsewhere within the company it is the patterns that emerge when the data are juxtaposed that can provide insight, says David Stone, EIS manager at British Telecom.

Until now the market has been dominated by suppliers specialising in EISs. They include Comshare, Execucom and Pilot of the US and Metaprix, Planning Sciences and Holistic Systems of London.

But EISs can be expensive, costing up to £200,000 to install. And they are expensive to run, relying on direct links between the executive PC and the mainframe computer systems or outside databases.

Graphics workstations market



The computer graphics market in the US - which reached \$5.5bn last year - is likely to rise rapidly to \$5.5bn by 1989. Few segments of the electronics industry have experienced the phenomenal growth of computer graphics workstations, says a report from the market analysts, Frost and Sullivan.

Management views on office computer systems

Lost opportunities

ARE EARLY users of office computer systems lagging behind the latecomers?

Businesses and government departments which were quick to use office computer systems are not necessarily making full use of them today.

This is one of the findings of a new report on management attitudes to office computer systems.

Although the majority of respondents (66 per cent) viewed office computer systems as "very important," this did not necessarily mean that they used them heavily themselves or that their fellow managers did.

It would have been reasonable to expect that those organisations which started first would demonstrate the highest level of use, given the longer time during which usage could have grown.

Instead, "the later the start, the higher the usage" seems to be the rule. In the early years, users were predominantly secretarial and in organisations where implementation was early, this has not changed.

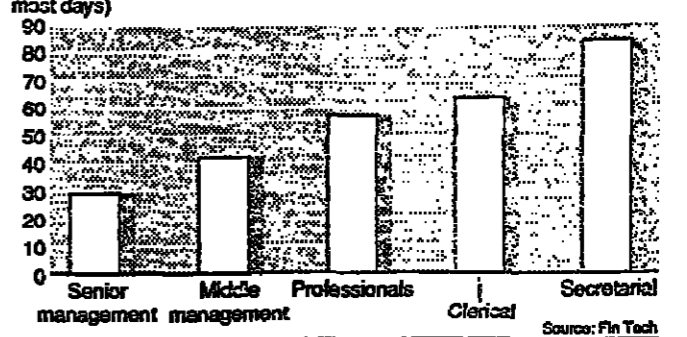
This pattern may also imply that the systems now installed are proving difficult to build upon and expand. There appears to be a widespread failure to exploit the dynamic and flexible nature of office systems and hence to derive maximum value from them.

Despite failing to expand the scope of their office systems in later years, most respondents felt that their systems had delivered the benefits they were looking for - 86 per cent of those who had implemented office systems felt they met or exceeded the benefits expected, with only 14 per cent being disappointed.

Over half the respondents did, however, have some reservations about costs. Fifty-six per cent said that the benefits delivered by their office systems had been achieved at greater than expected cost.

Office computer systems' usage

Average percentage of staff making regular use of office systems (i.e. on most days)



It seems likely that office computer systems installed in the 1990s will be used far more regularly by managerial and professional staff than those installed in the early years.

Of some interest, however, is a surge in the number of organisations starting to implement a formal cost/benefit analysis (80 per cent) nor monitored realisation of benefits (67 per cent).

This surge coincided with the period of most intensive publicity from suppliers and the Department of Trade and Industry.

Perhaps the publicity - some would call it "hype" - led to many systems being installed without adequate attention to costs and benefits.

If so, it is hardly surprising that the survey shows a slightly lower number of installations from 1986, with a fall to the 1984 levels in 1988 and no sign of an upturn in early 1989.

Respondents predicted an average of 4.6 years before they installed an office system. However, there was considerable variation in the predicted time-scales by industry sector, with the government leading the way at two-and-a-half years, and services lagging behind at six years.

given for not yet installing an office system was lack of a good business case (which may imply that cost-savings have not been demonstrated).

Some proposals may be reaching the wrong managers. One of the survey's most surprising findings was that information technology managers stand out as the group least convinced of the importance of office systems.

By contrast, general managers (at board level) have been more involved in promoting office systems than they are often given credit for. The gap between the importance general managers place on office systems and their low "hands-on" use of such systems may present an opportunity for suppliers in the short and medium-term.

The survey was conducted between February and April this year, using a postal questionnaire mailed to 650 of the UK's chief executives and a selection of top civil servants.

"The New Reality: Management Attitudes to Office Systems," by Ernst & Young and FinTech Electronic Office, available in the UK from FinTech on 0453 576144.

Jola Shillington

Advertisement for EIONEX featuring a large image of a computer monitor displaying a 3D wireframe model. Text includes 'NETWORK UNIX CAD-CAM', 'ALL SYSTEMS GO', and contact information for London and Northern offices.

Advertisement for McDonnell Douglas Information Systems. Features a large image of a space station or satellite structure. Text asks 'What puts a leading computer manufacturer into space?' and describes the UNIGRAPHICS system used for aerospace manufacturing.

## USING COMPUTERS 8

## Computers and voice-processing technology

## How to provide services around the clock

COMPUTERS have improved the interface between a company and its customers, irrespective of whether it is for sales or for any other application. The need is to provide more effective services.

In conjunction with these computers, voice processing (VP) is an enabling technology which is increasingly assisting companies to provide a higher level of customer-service, despite the fact that the trend to a shorter working week reduces the hours available for "customer contact." Even if there was no increase in the total number of calls, this means that the number of calls per hour increases.

VP systems both supplement staff during the normal working day and can also provide service around the clock. Using VP, customer-service is not surrendered to the god of efficiency as the system remains even-tempered at all times of the day and night - something that cannot be relied on from a human operator.

So how does it work? Telephone order-clerks or service receptionists generally complete a form which is displayed on a VDU screen. With VP, in essence, the telephone is answered by the VP system which then leads the caller through a pre-determined structured sequence in much the same way.

The caller responds by using the keys on a tone-phone or by speaking. For the latter, the system may be designed to recognise simple speech, such as numbers 1 to 0 (both "zero" and "oh"), plus "yes" and "no", or to record more complex information.

Mr Chris Lewis, director of electronics in the technology division of the PA Consulting Group, points out that the acceptability of a system depends on the motivation of the user (caller). After all, it is quite convenient for a shop-keeper to place a telephone order with a supplier during quieter evening hours via a voice processing system - the alternative being to wait for the following day, when both telephone lines and shops are at their busiest periods.

A speech-driven order-taking system, developed for a "major

continental Europe mail order firm" by Mr Lewis's company, is currently being trialed. This system uses speech recognition because, according to Mr Lewis, one can "get away with" tone phones, but they are not really user-friendly.

Mr Graham Marriott, telecommunications marketing manager of Vanderhoff Communications, speaks of using VP systems for a wide range of applications - including simple ones such as improving communications and enhancing the telephone switchboard operation.

An example is when an executive does not answer his phone, but the VP system would automatically take the call. It would suggest that the

### There is much scope for voice potential systems to enhance a computerised customer-contact operation

caller records a message in a voice mailbox.

Should the message be urgent, the executive can be alerted via his radio-pager. A system developed by Disc International, based on Vanderhoff hardware, will answer calls from branches and collect daily or weekly sales data, as required. It will collect management information by talking to branch managers and leading them through the data-entry process, validating information at all required levels. As they proceed, it will instruct them how to use the telephone dial-pad to enter the data.

By providing the information at a time convenient to him, there is less stress on the manager who, as a result, will have had the opportunity to check the data. One of the underlying reasons for Telesis developing its Hi-Call interactive VP system was the recognition that, in the past, it has been too expensive for the majority of companies to run round-the-clock telemarketing campaigns.

It allows callers at any time of the day or night interact with the system via a tone-phone to input telephone numbers and to answer simple questions such as just literature is wanted or whether a representative should call; (key "1" for the former or "2" for the latter, for example.)

More detailed information is recorded as speech on the 47-hour capacity live and not-standby discs, and can even overflow onto off-line high speed digital tape.

The following day, VDU operators can transcribe the names, addresses and other details that were recorded so as to merge them with the computer-recorded data so as to provide a fully detailed database of records which can be responded to efficiently.

Where an even faster response is required, a caller can key in his fax number. This is sent to a PC-based fax machine which dials up the caller's fax and sends a copy of the information requested.

Courier companies need to take orders over the phone. Much of this information is digital in nature - account number, airway bill number, destination code and can thus be input via the telephone key pad.

One company addressing this market is Persona Systems which, in the UK, markets Infobot systems from the US. A new generation of Infobot systems handle not only voice but also have image-processing capability. This enables a caller to input his facsimile number and the system will fax details back to the caller.

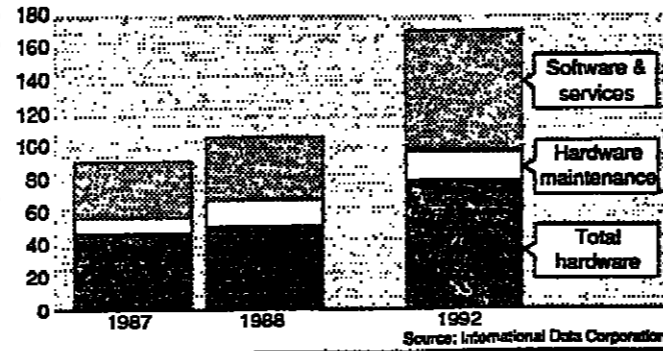
For example, in an order-taking system, the computer can generate an order acknowledgement copy of which will be sent directly from the Infobot to the customer's fax machine. It can be seen from this broad picture that there is high potential for VP systems to enhance a computerised customer-contact operation.

A quantum leap in lateral thinking is required to recognise these benefits - but that we have to do for ourselves, since we cannot expect the computer to do it for us.

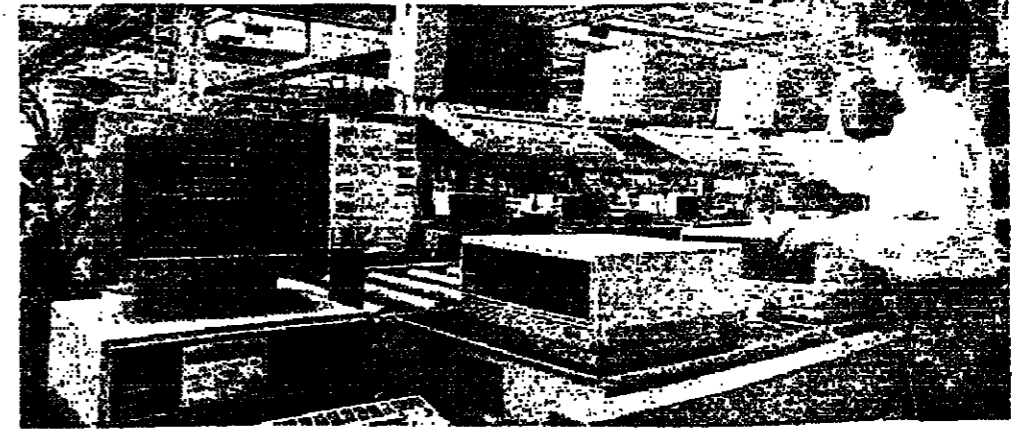
Adrian Morant

## Information technology in Western Europe

Forecast by category in \$ million (1988 rate)



Recent surveys of what companies want from information technology suppliers are secure systems which are flexible, maintainable and easily adjusted to meet changing business needs. Pictured, above, right, is a computer test line at Olivetti's plant at Scarmagno, Italy.



## Fresh moves towards an integrated pan-European electronic mailing system

## Big potential for computerised messaging

ELECTRONIC MAIL is the use of computers to produce and transmit electronic messages via some form of communications channel, usually including the public telephone network, to another distant computer system where they can be received and read.

The advantages are obvious - instantaneous receipt, and given today's high-speed modems and cheap rate telephone charges, relatively low transmission costs. Furthermore, since a large number of messages currently sent via the postal system on paper need to be retyped into the receiver's computer system, electronic mail (or "e-mail" for short) can also save considerable clerical time and expense.

Each year for the past five years at least we have been assured that this is the year of e-mail - but while the use of e-mail undoubtedly grows, it has never yet realised its full potential.

The reasons for e-mail's relative failure are varied. The important thing to understand is that there is a fundamental difference between intra-company e-mail and inter-company e-mail.

Intra-company e-mail presents logistical problems that are gradually being solved by new technology, improved software and international standards; inter-company e-mail presents conceptual problems that may be insoluble.

For the sake of this argument, the difference between

the two types of messaging is a reliance on the public switched telephone network. Inter-company messages travel over the public network; intra-company messaging uses private or leased communications channels.

Consider inter-company e-mail the process of sending messages from one company to another. (Occasionally, such companies may be so large and require such a volume of inter-company messaging that they jointly arrange a private leased link - in which case their e-mail installation effectively becomes intra-company.)

The general solution for inter-company e-mail is the use of a third-party to provide the system itself. This third-party provides a large computer or network of computers able to handle hundreds or even thousands of incoming calls simultaneously.

Each subscriber is then allocated a "mailbox" (a portion of computer disk memory) and a password. Anyone wishing to send messages to a particular subscriber must therefore be aware of that subscriber's mailbox number.

The process itself simply involves sending the message to the system provider (such as Dialcom and Telecom Gold) where it is stored "within" the recipient's mailbox. Receiving a message involves using your password to look into your own mailbox, and the transfer of any contents to your own computer.

The concept is simple, but the problems are numerous. First of all, the obvious: you can only send a message to someone who has a computer system, is a subscriber to the same messaging system, and

has already told you his or her mailbox number.

Even more problematic, however, is that inter-company e-mail places a burden on the recipient rather than the sender. In the postal service, the transmitter pays. In the telephone network, the transmitter pays. But in inter-company e-mail, the transmitter and the receiver both pay.

The requirement to pay to

The concept of electronic messaging between computer-users is simple, but the problems are numerous, as Kate Taphouse explains here.

receive something that might prove to be totally worthless places a psychological barrier against frequent inspection of one's mailbox. This destroys the e-mail advantage of immediacy, and in turn places a barrier against both sending and receiving messages.

Roger Dean, executive director of the European Electronic Mail Association (EEMA), would ideally like to see a system in which only the transmitter pays - but he cannot see it ever happening.

E-mail does not understand international boundaries, and the problems involved in working out who pays whom and how much when messages are sent into different countries is likely to be insurmountable. EEMA, incidentally, is work-

ing hard towards solving many other commercial and technical problems involved with international e-mail - but before we discuss EEMA's work, we should briefly consider intra-company electronic mail. Here the problems are far less difficult, primarily because the whole system is under the direct control of the systems manager. Leased lines can be used between distant computer systems, so that the cost is fixed regardless of the amount of traffic.

Gillette is one company that has developed an integrated e-mail system for its entire European enterprise (comprising sales offices in most countries, and seven different manufacturing sites).

Based on Network Orion from Orion Network Systems, the Gillette e-mail system links IBM mid-range computers throughout Europe. The benefits have been immediate and extensive. Telephone bills have been reduced, communications between departments and countries have been speeded, telex and mailbox numbers can be grouped to provide broadcasting features, and the secondary preparation of telexes has been eliminated.

Gillette has solved its intra-company electronic messaging problem - but no company is an island. Whenever anybody within Gillette needs to send a message to somebody outside of Gillette, then even Gillette is faced with the same problems that everybody has with inter-company e-mail.

These problems will inevitably get worse - unless something is done - when 1992 brings a new pan-European trade. This knowledge was the driving force behind the cre-

ation of the European Electronic Mail Association perhaps the only organization that is concerned with both the commercial and technical issues at stake.

EEMA members include all the European PTTs, many of the largest service providers including Dialcom, Gescoc, AT&T and so on, and a growing number of large international e-mail users.

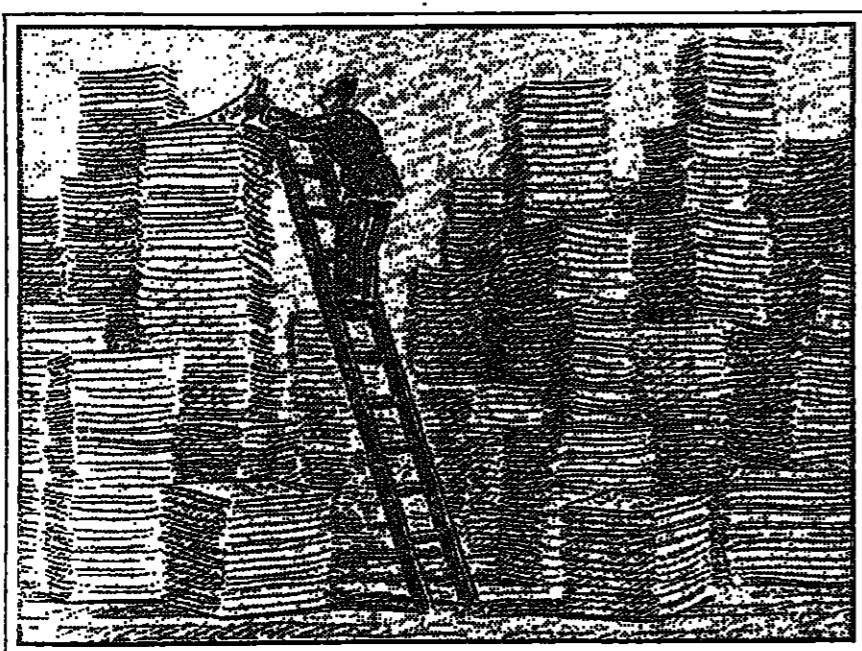
Its initial objective was and still is to promote the use of e-mail throughout Europe and to press for international standards of use. Now EEMA has been encouraged by the European Commission to develop a memorandum of understanding for the pan-European inter-connection of electronic message handling systems.

EEMA is aware that the existence of international communications standards without themselves promote the inter-connection of the different message-handling systems and services now being developed.

What is required is that service providers, systems vendors and even users of large private networks must all be encouraged to get together and develop a methodology that will allow a total pan-European messaging system incorporating both public and private networks - in short, to tag the inefficiencies of current inter-company messaging towards the efficiencies available from within intra-company messaging.

To this end, the EEMA Secretariat (tel: 44 386 730026) is now inviting all interested parties, providers, vendors and users, to get together and help shape the future of an integrated European messaging system.

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AFTS 11/89

## Application case study in computer-aided engineering

## A worthwhile investment

THORN LIGHTING'S move into Computer Aided Engineering (CAE) has helped it to recover from a notably bad patch.

In the early 1980s, the company's market-share was dropping significantly. Delivery was poor, stock and work-in-progress was high and production was unreliable - all at a time when the market was demanding fast delivery on a wide variety of high quality, often low-volume fluorescent light fittings.

Suffering from a £10m loss in 1981, the company was making over £43.5m profit in conjunction with the Kenwood domestic products division for the Thorn EMI group, and has become the biggest and most acquisitive light-fitting manufacturer outside the US and Japan.

In the lighting industry, customer-specifiers are continually seeking new designs with advanced features, their own custom-made variations, and increasingly competitive costs.

One of the days when a light fitting would last 20 years or more. Now it is more like three to five years, so perceptiveness, together with faster design, prototype and production cycles are required. The aim is to prevent old problems recurring like poorly directed product concept and development, lack of inter-departmental communications, time slippage, unrealistic deadlines and premature product launches.

A feature of the company's smooth transition to CAE was its training programme, jointly undertaken with Ferranti Infographics, the company's main CAE supplier.

The system was readily

accepted by staff - "there was a great deal of enthusiasm about it," explains Mr John Ditchburn, systems manager at Thorn Lighting's Spennymoor operations centre in County Durham.

"We did a lot of work with potential users to explain the reasons and advantages for the system. We had full negotiations and got their co-operation prior to actually putting the system in.

"We set ourselves a target to train everybody as quickly as possible. We could have trained one or two people on the system and then created an elite, but then we would have spent many years bringing everybody else into line.

"The company examined 80 training courses in different disciplines during 1988. Prior to installing CAE, the company had first implemented a Manufacturing Resources Planning (MRP) system, and considerable investment was also made in manufacturing process plant and equipment.

The Initial Graphics Exchange Specifications (IGES) standard provides links between this plant and equipment and the Ferranti Infographics CAE system.

IGES performs very well for Thorn Lighting, contrary to other companies' experiences. This communications standard is important to Thorn Lighting because it enables design data to be transferred direct to toolmaker suppliers, thereby reducing time, margin of error and cost.

"When only five per cent of development cost and time has been expended, up to 85 per cent of the product life cycle costs have been committed," explains Mr Ditchburn.

This is because fundamental decisions are made early in the product design stage on its geometry, materials and construction, and methods of production.

He also argues that early investment in Computer Aided Design (CAD) resulted mainly in increased drawing office efficiency. However, CAD can also be used for tasks such as producing quotations which can be generated faster, more accurately and better presented.

The decision to implement computer-aided engineering was made in mid-1984, and involved a 12 month market review and product evaluation. It meant reorganising the company's entire manufacturing approach.

A steering committee was set up, comprising senior management from the three sites. "We found it best to write our own specification, based on policy aims and user requirements. We also avoided the trap of looking at what the hardware would do, concentrating instead on the capability of the software."

In the final stages of selection, Thorn Lighting seconded a computer specialist from Datasolve, another Thorn EMI

company, to provide consultancy.

The overall cost of the system together with environmental changes required at three operating sites over an 18 month period was in the region of £1.2m. The vital link with customers, he sales enquiry and quotation cycle, is now turned round in a much shorter time simply through increased direct access to increased selectively available design data.

Manufacturing is handled from Spennymoor and Herford, while design is carried out at Enfield in Middlesex in conjunction with the marketing department.

"The whole idea is for us to become more customer oriented, and to let the customer drive us rather than us driving the customer," says Mr Ditchburn. "The cost has been well worth the exercise. It has given us experience to add on to expand further. The system will eventually provide the means to transfer graphical data between all our sites throughout Europe."

Boris Sedacca

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USING COMPUTERS 9

# Computer-aided software systems engineering

## A new way of creating applications software

AS THE business use of computers enters its fourth decade, there is hope that the computer software industry may, at last, have found a better way to build applications software. In the 1980s, the ill-conceived, inflexible systems of the past should give way to well-designed, adaptable ones which can work across many different computers and provide the all-important "competitive edge."

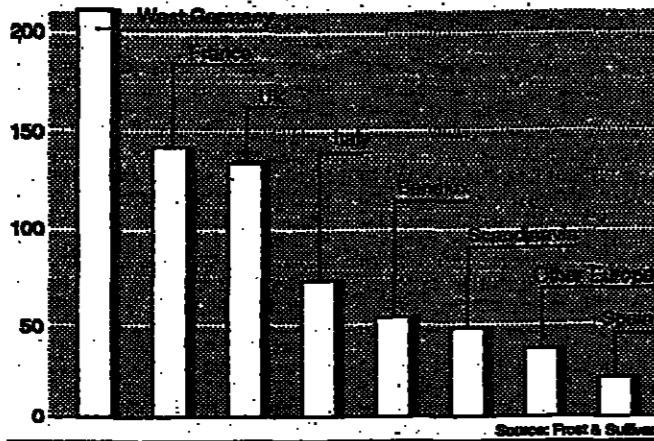
The last few years have seen advanced hardware technology, clever software and a new design approach come together to provide computer systems designers and programmers with the tools and methods to help build complex applications software. These tools are grouped together under the heading "computer-aided software (systems) engineering" or Case, for short - and they have stimulated great interest among users and industry software developers as an improvement on earlier methods of building software. They promise to lower the cost of producing applications software at the same time as making the systems flexible and easy to change.

On the surface, Case tools are the result of the application of computer-aided design (CAD) principles to the production of computer software. They combine the high-powered graphics-processing features of CAD terminals with design packages which are geared specifically to producing software applications.

But there is more to Case than what are called the "front-end" design tools. While these tools can be used to build models of a business, they must be linked to other tools such as code generators to produce the final system. Case aims to cover the whole spectrum of software development from the technical definitions of the system to the way it is managed. There are many benefits to be derived from this approach. In place of the traditional haphazard approach to software development, Case provides a set of tools based on a formal design method. These design methods - including the Jackson Struc-

### Computer-aided electronic engineering

European CAEE market (US\$ million)



Europe's electronic engineers will be spending \$3.1bn a year by 1993 on computer systems that simulate the operation of a circuit board or integrated circuit, discovering potential problems. A report from

market analysts, Frost and Sullivan, London, (tel.01.730.3438) examining computer-aided electronic engineering in Europe, says the market last year stood at \$725m - "a dramatic gain over the 1987 base of \$554m."

tured Programming method and the Yourdon design method - have been around some time. But they have only come into their own with the introduction of Case tools. The tools act both as an aid to understanding the design method and a way to enforce its disciplines.

In the last year the impact of Case tools has become more noticeable.

"It is now a mature technology," says Tony Hill of Excelsior, the UK company which sells the Excelsior Case design tool.

"Users are beginning to see the right way of using it and gaining real productivity benefits," he adds.

David Fairbairn, managing director of JMA, the UK vendor of the Texas Instruments-developed Information Engineering Facility IEF Case tools, agrees:

"IEF has come of age and we are producing some fascinating results," he says.

"But I think we must back off from the hype and take a lower profile while we sort out things like how we actually measure productivity with

Case."

The biggest boost to the use of Case came in September 1988, when IBM announced its approach to software development under the heading of Application Development/Cycle (AD/Cycle). This important announcement not only laid the ground for IBM's future application development strategy, it also ratified the role of many third-party software tools' suppliers.

IBM UK's chief executive, Tony Cleaver described AD/Cycle as "the blueprint for future applications in the IBM environment."

IBM does not use the term Case, preferring the more formal term "software life-cycle."

Originated in IBM in the 1960s, the concept of the software life-cycle views computer systems in a comprehensive way from their initial inception through to their maintenance and continued enhancement.

Despite the difference of terminology, the AD/Cycle announcement was widely welcomed by the software industry and IBM's backing of the

principles of Case has confirmed its viability to large corporate users.

"The IBM announcement has given everyone a target to work to in the IBM world and it is going to drive products in this area forwards," says John Williams, head of Philips Business Systems' team which promotes the Maestro development system. Maestro, developed by the West German software company Softlab, is one of the leading Case products and has evolved from an earlier software development tool which pre-dates Case by several years.

Excelsior's Mr Hill agrees that IBM's announcement has had a positive impact. "It has put Case on the agenda and makes it difficult for people to say that Case is not for them anymore," he says.

But while Case suppliers agree on the importance of IBM's backing for the principles of Case, they do not agree on the best way to introduce it. Maestro, like Excelsior and IBM's AD/Cycle, can support a range of other tools and different formal methods and both Mr Williams and Mr Hill view this as an essential part of Case - "Maestro is only loosely coupled to other methods so we can support a range of them. We think this is important because the real problem is not how the systems works - we are happy about that - but how it performs."

"Our position has always been that you need a discreet development system and you use the best tools to suit the application," explains Mr Williams.

Excelsior, similarly, adopts a wide-ranging approach and its design tool has been adapted to work with many different code generation tools and design methods.

"We have developed a tool which can be changed by its users to suit their needs and gives them the widest possible scope," says Mr Hill. But Mr Fairbairn of JMA takes issue with this view: "I take great exception to those who believe in method independence. If one holds it down to where we stand now, all the different tools are just mechanical elements. It is more important that the concept of building systems which are separate from their implementations."

"If you look at engineering, everyone agrees on a formal design standard and that's it. We do urgently need to accept a set of standards for Case."

Philip Manchester

MANY sectors of industry in Britain traditionally seeks miracle cures for uncompetitive-ness. The 1970s miracle was materials requirements planning (MRP), a computer-based way of showing factory workers what to do today if the customer was to get a product at the end of the month.

Today, even vendors will tell you that up to 80 per cent of MRP systems failed - because users grafted MRP on to existing ways of doing things. Worse, users thought it too expensive to train their people to use MRP.

The concept also suffered at the hands of more glamorous government-sponsored technologies such as robotics and flexible manufacturing systems. These also failed, for exactly the same reasons.

So, in recent years, UK manufacturers have sought the miracle from "just in time" (JIT) production, "optimised production technology" (OPT) and other guru-driven solutions that often promise much without the need for any further computer technology.

There is a more balanced view: it concedes that technology has its place - but it is aware that the most powerful factory technology speeds-up information-flows to give greater production control. Some computer-based systems, properly applied, can transform a company's responsiveness.

MRP is still a valid member of this group, and its fortunes have revived in recent years. Two other areas, shop-floor data-collection and its near relative, supervisory control and data-acquisition, have been kicked into life by product-liability legislation. The most active area, however, is the vaguely defined void at the centre of a quadrilateral formed by data-collection, machine or programmable controllers, MRP, and other systems such as computer-aided design.

Filling this void is a step towards so-called computer-integrated manufacturing. Integration is a worldwide problem - while many manufacturers are aware of the priorities for integration, reports show that nowhere in the world has industry achieved over half the level of company-wide integration that is possible.

This is why Japan's Ministry for Trade and Industry launched a ¥150 billion (\$1m) 10-year programme in July to promote world standards in networked systems' integration. The programme will be explained at an international conference on strategic man-

## John Dwyer looks at the increasing importance of computers in manufacturing

# Production controls improved

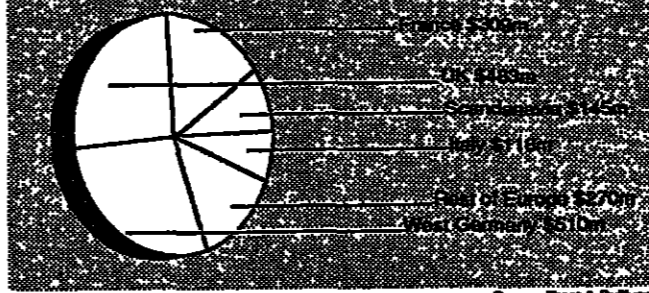
### Degree of functional utilisation of CIM systems\*

Industry	Europe (%)	Japan (%)	US
Chemical	41	33	36
Iron and Steel	47	26	43
Machinery	48	43	49
Electrical/Electronics	48	48	41
Automotive	52	54	40
■ Degree of integration (%)**			
Chemical	33	29	29
Iron and Steel	37	32	39
Machinery	42	34	45
Electrical/Electronics	49	45	44
Automotive	49	43	22

\* Percentage would indicate that all systems are being used to their fullest potential. \*\* Percentage would indicate full integration of all systems. Source: A.T. Kearney

### Growing market for engineering workstations

Total 1988 market: \$1.83 bn, likely to reach \$4.5 bn by 1992



□ The market for engineering workstations and related peripheral equipment in Europe will jump from \$1.8bn (last year's figure) to \$4.5bn in 1992, according to market analysts, Frost and Sullivan.

These single-user systems, more powerful than personal computers, are typically used for engineering design, simulations and other intensive tasks requiring sophisticated graphics.

usually left to the intrepid few who were prepared either to write or commission their own software.

The alternative was to throw away much (or all) of the MRP and other costly computer-based applications which users had already acquired in favour of a complete so-called CIM solution from one vendor.

Much effort has been expended on integrating what

users have already purchased. In Britain, one of the key initiatives in this area is probably the computer-aided production management project operated by the Science and Engineering Research Council. This has produced a methodology called Strategem, developed at Polytectonic SouthWest.

Even vendors are now falling over themselves to offer products which build on users' existing systems. These products are either ready written or provide tools which allow users to build their own systems in easy stages. Vendors without such products have formed partnerships to fill the gaps in their ranges.

To give a few far-from-exhaustive examples, the best-known partnership is probably between the US computer-maker Digital Equipment (DEC) and the US factory controller supplier, Allen Bradley. Their joint product is called the Pyramid Integrator.

However, DEC has formed alliances with many other factory controller suppliers and has a seven per cent stake in Constilium, a US software house which has specialised in the integration of planning, tracking, production and quality control systems.

The Pyramid Integrator was preceded by "Time" - the Tandem Integrated Manufacturing Environment. This pools the resources of several manufacturing software suppliers around the fault tolerant computers made by Tandem of the US.

All sorts of alliances are forming. The UK software house and MRP supplier, Hoekyns has long had a relationship with FMT, a supplier of stand-alone and cell-based machine tools, though neither claims a rush of customers for integrated cells and MRP systems. FMT has a supervisory package called Seta, (now in release four).

Anderson Consulting has formed links with Baccam, the manufacturing systems offshoot of British Aerospace. Anderson sells the Mac-Pac MRP system and Baccam has an integration product called Cimbar.

Oracle, the leading US supplier of relational database management systems, has just launched a suite of manufacturing integration software and announced the formation of a CIM partnership programme with, at the last count, 23 computer suppliers and manufacturing and process-engineering members.

In June, Britain's ICL launched a CIM partnership to Continued on Page 10

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USING COMPUTERS 10

Business case study

Electronic links for export companies

EXPORT NETWORK was established in 1986 to provide online information and trading services to companies involved in international trade. The company is backed by Cable & Wireless and British & Commonwealth.

Last year, Export Network won the ASLIB/ISI award for its contribution to information management. Then, earlier this year, it won a contract to operate the Department of Trade and Industry's privatised Export Intelligence Service (EIS) for about 6,500 subscribers.

EIS receives notices from British embassies and consulates around the world, and passes them on to subscriber companies. It claims no other country has such an extensive network of overseas posts working to help its exporters.

But the company's main product is its eponymous Export Network, an online

The system lists nearly 50,000 overseas agents and distributors

sales and marketing information system and trading service sold to British exporters, which has been running for just over two years.

Over 60 organisations supply information to its subscribers. The system is based on two Alpha Microsystems AM3000 minicomputers. Nearly 190 new export sales leads can be accessed every day through Export Network.

Users can search by product and country classification and instantly locate an appropriate distributor and freight forwarder, call up the latest details on documentation and exchange control requirements and obtain the latest foreign exchange rates.

More than 2m screens of information are available through five main menu items - business opportunities, country and market research, finance, transport and travel, and European Community information.

Details of nearly 50,000 overseas agents and distributors for a wide range of products are also available. Foreign exchange rates and other financial information is updated throughout the day.

However, the most exciting development, according to Mr Bob Torrance, managing director of Export Network, is one undertaken in conjunction with the British International Freight Association to establish Freight Forwarders' Network (FFN).

FFN is an electronic data interchange (EDI) system for the transmission of documentation information and international trade. "We are currently trialling the system with four British freight forwarders," he says. "It is due to go live at the beginning of 1990."

FFN's computer screens formats are laid out in the style of

target the manufacturing software needs of small and medium-sized companies.

Intergraph, the CAD/CAM supplier, is providing systems which allow users to access any of a number of manufacturing databases on a single screen. McDonnell Douglas Information Systems, traditionally a CAD supplier, is moving towards the provision of a wide range of links to factory information systems. Cimline of the US specialises in making its CAD system the hub of an information network which includes MRP, numerically-controlled machine tools and the product database. Prime is seeking a link with an IBM "flavoured" systems house.

Even the users are involved. Reflex, a subsidiary of Rolls-Royce, is building a system called "Climping" (CIM through pictures) at Rolls-Royce's Sunderland turbine factory. Eurotherm Systems has announced a similar system for the management of process industry production.

Most important of all, IBM launched a 56-product "blizzard" in October under the banner of its CIM Architecture (CA). In some ways, IBM is behind the competition - but IBM has spent \$50m to \$60m on ICA so far and the product line will take years to unveil.

More significant, though, is IBM's decision to provide links to non-IBM products and systems. This change of heart should remove doubts about the validity of multi-vendor solutions based on open systems standards.

The author is editor of the FT Newsletter, "Advanced Manufacturing."

Simplification of International Trade Procedures (Sitpro) requirements. But the likeness ends there because the system does away with the need to produce standard documentation.

FFN provides the forwarding industry with the ability to transmit six messages - shipping instruction, pre-booking advice, firm booking, bill of lading/air waybill/housebill, invoice/schedule of charges, and Single Administrative Document (SAD).

From a customer's initial enquiry through to a shipment being delivered to final destination, there are between 20 and 30 different documents produced in the information chain.

By using EDI, this mass of documentation can be produced by keying in information once only, irrespective of the number of people involved.

The user advises electronically his document to move cargo by pre-booking space. The booking is subsequently confirmed electronically.

The system then prepares shipping notes for the despatch of goods to the receiving carrier at port or cargo terminal, and housebill documents to the exporter by specified carrier to the export destination according to terms of trade.

The forwarder then issues a freight and charges invoice to the exporter, followed finally by a SAD for European Community customs entry. By early 1990, the system will include additional messages to complete the freight documentation chain on EDI.

The process will be extended in the future to all parties in the transport chain, so that the forwarder will be able to communicate electronically with exporters, importers, carriers, overseas partners, hauliers, ports and airports, insurance companies, banks and customs authorities.

The FFN messages form the International Transport Message Scenario (ITMS) which conform to the new United Nations Electronic Data Interchange for Administration, Commerce and Transport (Edifact) standard.

Edifact defines the components of an actual document or message, the trade documents, and the fields within them, and lays down a syntax and coding structure which ensures that these documents will be understood by all Edifact compatible software.

"We recently launched FFN at the FIATA World Congress in Bulgaria," adds Mr Torrance. FIATA is the governing body for the world's freight forwarding organisations.

"Britain is world leader in international trade. FFN will probably make us world leaders in the field."

Boris Sedacca

FACILITIES MANAGEMENT

Ways to ease company computing burdens

LOCAL AUTHORITIES are doing it, manufacturers are doing it, and even financial institutions are doing it - they are all beginning to employ private companies to run their computer installations, rather than operating those services themselves.

Proponents of these sort of facilities management (FM) services believe FM can take the computing burden off the shoulders of companies. This frees them to concentrate on their business - be it manufacturing motor cars or selling life insurance.

But others argue that, although it may be good practice to hand over the catering and office cleaning to outsiders, computing skills are something that should be retained within the company.

Mr George Rzevski, of the information technology consultancy Brainin Rzevski, of London, and professor of engineering at the Open University, believes that information is an inherent part of management, and therefore information processing should not be handed over to outsiders.

"Computers can give companies competitive advantage, but to understand them you have to live with them in the data processing staff and absorb the culture of them," says Mr Rzevski. "You can't pretend computers are like electricity, that you can plug them in when you want and get a bit of processing power."

Despite Mr Rzevski's concern, it would seem that a growing number of European companies are following in the footsteps of their US counterparts and turning to FM. Three years ago, FM contracts for running computer installations were virtually non-existent in the UK. "Finger in the air" estimates put the revenue at between £30m and £40m a year in the UK alone.

There are numerous reasons why companies choose to sign FM contracts rather than to continue with in-house data processing departments. Two reasons are particularly prominent: to save money and to avoid the growing problem of finding suitably-qualified staff.

Companies opting for FM can often swap the cost of buying new equipment with a variable cost based on usage. And as computer equipment has a higher rate of obsolescence than the office chair, say, or piece of factory machinery, many companies are per-

suaded that they can drop out of the technology race, and let a contract person keep in touch for them.

They can also use extra services only when necessary - they do not have the expense of installing the equipment, or employing the staff, to deal with the peaks. That was one motive behind the decision by Laing & Cruckshank, the stockbroker, to employ FM company Hoskyns, of London, during the change-over period from one computer system (IBM) to another (Digital Equipment and McDonnell Douglas).

During the change-over, Hoskyns is running the older system as back-up, while the Laing & Cruckshank staff are trained to use the new system.

There are also savings achieved through the economy of scale in which the FM companies deal, which smaller

companies cannot command - in both equipment and staff. FM companies, for example, can afford to buy a mainframe computer and divide its processing power up so that different sections are used by different clients. They can also employ groups of staff with a specific expertise needed by more than one client.

A third group of people - in the UK, in particular - are also opting for FM. They are local councils, which are now being forced to put all their services - from refuse collection and rubbish collection and possibly even information technology - out to competitive tender.

Birmingham City Council, for example, wanted to pre-empt any ruling that the council's computer services had to be supplied competitively, says Bernard Farrar, City Treasurer. So the council negotiated a deal with ITnet, of Birmingham for FM services.

Under the agreement, any of

the 170 computer department staff who wanted could transfer over to the FM company. The deal will also probably mean that the council will save money. Although Birmingham City Council is paying about \$5m a year to ITnet, Farrar believes the council will actually save about £1m a year.

Despite the obvious advantages to local councils of going down the FM route, the decision should be highly debated, says Paul Thompson, general manager of local government-managed services at the UK computer company, ICL - "it's very important that organisations retain effective control, and that they put the necessary infrastructure in place to do that," says Thompson. "It's not up to a third party to give direction in the provision of services."

More importantly, warns Thompson, once councils or companies have decided to go with FM, it could be difficult to rebuild their computing expertise within the organisation.

Because a good FM arrangement will allow for growth and change of direction within the business, many FM contracts are necessarily vague. Peter Falconer, marketing director of the facilities management division of the Hoskyns group, says many FM companies try to think of a contract more as a working or reference document than as an agreement - irrevocably cast in stone.

Most companies change from in-house computing to FM when they are at a crossroads in their information technology decision-making, reports Falconer. This catalyst can be a change of premises, a change in ownership of the company or the need to buy a new computer system.

FM can include taking over existing facilities - what Jeff Outram, manager for facilities management at ICL, calls "sunset FM" - or devising or installing new ones. Contracts can last anything from a few months to up to seven years. In addition equipment can be owned by either the FM company or the one needing the computing services.

Rzevski believes that many managers naturally lean towards FM because they are technophobic and frightened by their jargon-spouting data processing departments. The result, he says is that they opt for the easy, if short-sighted, route.

Della Bradshaw

Procedures management and forms-processing

Shifting the logjams

THE UBQUITOUS personal computer suffers from one major problem: it simply doesn't operate in the same way as business. The PC achieves results through applications (word processing, spreadsheets and so on), but business runs on procedures.

Using PCs within business often inevitably leads to the automation of "vertical slices" within the underlying office procedure that is effectively the business itself.

Individual users may need to extract information from one application (the database), and pass it to another for processing (the spreadsheet) before including it another application (the word processor) for final presentation and despatch.

This process becomes even more complex and liable to delay when different users are responsible for the different parts of the process.

What is required is an application that handles the whole procedure, rather than isolated aspects of it.

To a certain extent, this requirement has in the past been met by a complete industry, the software house, that has specialised in the design and installation of individual systems for individual clients.

But there are still several problems. First of all, such solutions are very expensive and will almost certainly require the purchase of mini-computer hardware from the same supplier.

Secondly, they are by their very nature, restrictive. Such a software solution is designed to reflect the procedures of a business at a given time. Since the software is produced by "considering" there is always the danger that it will not totally reflect the underlying nature of the business - and even if it does, it may prove too inflexible to cope with the inevitable changes that occur within any dynamic business.

Finally, these solutions have a tendency to rely on hardware technology, the central micro-computer, that is being replaced in favour by networked personal computers.

Ideally, business requires multi-user personal computer solutions that can be used to produce a new type of PC software systems that automate entire procedures rather than individual applications.

Surprisingly, perhaps such software already exists, and has in some cases been available for a number of years. Various called "procedures management," "forms processing" or "procedures processing,"

it has the potential to provide a revolutionary new form of networked computer application - and the best way to understand its capabilities is to look at a several systems.

One of the best-established systems is Staffware from FCMC. It combines text processing, electronic mail, database and conditional logic features, and is perhaps best-considered as an application generator, rather than a specific application in its own right. One of its strengths is that it does not require a computer expert to design a system - but it certainly does require a business systems analyst.

The first task is to analyse existing corporate procedures, and to define these as a traditional flow-chart. If the procedures can be defined as a flow-chart, then they can also be automated by Staffware.

The key element is a feature called a Directive (Document for Information, Response and Action). It roughly equates to a

Procedures management has the potential to provide a revolutionary new form of networked computer application, explains Kevin Townsend

process box in the flowchart, and works in a similar manner. Another way of looking at a Directive is to equate it to an electronic form.

In practice it comprises four elements: an addressee (the user who is to receive the form), the document itself (which can be produced either within Staffware or by a separate word processor), the subsequent actions (that is, a list of other documents that will be processed once the current document has been completed), and a reminder section.

Now in most business procedures a printed form will arrive on someone's desk bringing with it information. This information may set off a secondary action, it may simply provide information, or it may require additional input before being forwarded to somebody else. This is exactly what can happen electronically within Staffware.

When a user logs-on to the network he or she is presented with an initial menu-selection that includes the option: GET PROCEDURE MAIL. In one sense, this is analogous to

looking into a manual in-tray. New work will have arrived from other system users.

Now one of the problems with the manual in-tray is that "too-difficult" work tends to be taken from the top of the pile and placed at the bottom. This only has to happen a couple of times before the work in question begins to hold up other work. With Staffware, this is easily circumvented.

One of the features of the Directive is a "reminder." This allows the system designer to build in "deadlines" and set automatic actions to occur if the deadline is ignored.

Procedures management is the electronic control of procedures from inception to completion, with automatic actions instigated by the system during the process.

Staffware enables the user to develop his own personalised automated procedural system. It is not, of course, the only such package available. An important subset of applications now also appearing can be described as "forms processing," and two fairly recent entries come from Rank Xerox (the Microsoft Windows-based FormBase) and from Claris (the Apple Macintosh-based SmartForms).

These programs do not in themselves produce complete applications, but rather they generate electronic forms. Users can then use these as an integral part of their own internal procedures.

These two packages have similar characteristics: both run under graphic interfaces (Window and Macintosh) and both can support PostScript printers for high quality laser output. The concept is relatively simple: you design your forms on the screen.

However, you also build intelligence into each form. When circulated to another user on the network, his or her input can be automatically captured and stored within a database.

With FormBase, users can have their attention drawn to fields of particular sensitivity or importance through coloured text and backgrounds. With SmartForms, the forms designer can include various levels of help.

With "forms" currently comprising something like a third of all business documents, the electronic generation and circulation of forms by procedure management systems and forms processors could provide a completely new generation of business applications to emerge within the 1990s.

Paul Abrahams examines the chronic shortage of skilled computer specialists. The declining number of graduates is likely to hit the computer industry harder than most sectors

One other possible solution to the graduate problem would be to start recruiting abroad. However, most other countries within the European Community are facing similar shortages.

One answer might be to admit highly motivated refugees who are graduates. West Germany has not been slow to take on refugees from East Germany. The UK, after all, has its own source of highly trained graduates - in Hong Kong. At present, however, the Government appears fixed in its rejection of this option.

In the end, Campbell Soup achieved an expert system that preserves Cimino's expertise and makes it immediately available to its engineers anywhere in the world and can also be used for training new engineers. Texas Instruments also learned a lot from the process, lessons that are invaluable for any company considering their own expert system. Strong management commitment is essential.

Equally important is the early demonstration of a working system. It doesn't need to be complete. It can be expanded and refined as you go. What you need is to be able to show management and staff that the expert system concept is realistic and workable.

Expert systems will not make experts redundant, but generally available throughout the industry. They will allow more people to specialise in could significantly in help to solve the skills shortage.

THE SKILLS SHORTAGE

Recruitment problems intensify

THERE ARE a few phrases that are created, enter directly into common parlance without further explanation. The demographic time-bomb is one of these.

Quite simply, the supply of school-leavers coming on to the job market in the UK will drop by 35 per cent by the mid-1990s. This trend is similar, to a greater or lesser extent, throughout Europe, except for Ireland and Greece. In West Germany, the downturn will be as great as 45 per cent.

Admittedly, the number of graduates will not necessarily fall on a similar scale. About 65 per cent of those who attend colleges and universities in the UK are from middle class backgrounds, but the acute falls in the number of school-leavers have been from working class backgrounds.

Furthermore, the greatest falls have been in the North of England and in Scotland

where unemployment is highest, rather than in the prosperous South East.

However, the Institute of Manpower Studies (IMS) estimates that the effect of the disincentive for further study created by the introduction of student loans, combined with the attractive salaries being offered to school-leavers by large employers such as banks will, nevertheless, create a slow decline in graduate population until the late 1990s of some 5-10 per cent.

Few sectors will not be affected by this shortage. Already 50 per cent of graduate recruits failed to fill all their vacancies for graduates this year. This is caused not only by the declining supply of graduates, but also the increasing demand from the Western economies, which are still experiencing surprising growth.

The computer industry will not be spared from this phenomenon. The rapid expansion of the information technology industry which is expected to grow from \$1,000m in 1986 to \$2,000m by 1990, will ensure that the demand for graduates in the sector will undoubtedly continue to increase.

Student population Universities and polytechnics are expected to attract more women (a possible increase in the proportion of female students from about 42 per cent to 48 per cent by the turn of the century) and more mature students. Traditionally, both of these groups have been more interested in humanities and social sciences, rather than computer sciences. They were originally developed on powerful mainframes and are only now realistically becoming available on personal computers - but many expert systems retain

what its name implies: a computer system that emulates the skills and knowledge of a human expert. Much confusion and considerable difficulty still exists over the use of such systems. They were originally developed on powerful mainframes and are only now realistically becoming available on personal computers - but many expert systems retain

used to ensure that all the correct questions are asked, and could be used to generate automatic documentation on the results of the interview.

More importantly, it would free senior management from early involvement. And the use of Staffware would not be limited to staff recruitment - indeed, any task or procedure involving the flow of documents could be automated in this way.

A potentially more important solution to skills shortages can be found in the use of expert systems. Expert systems are a sub-set of artificial intelligence, a branch of computing that will, in the long-term, provide radically new solutions to many of our problems.

Artificial intelligence is, however, proving continuously elusive, and many manufacturers have turned to the more simple concept of expert systems to provide interim solutions.

An expert system is exactly

The result, according to the IMS is that 28 per cent of companies are already reporting problems in recruiting enough graduates for their information technology departments. The problem is that the largest proportion of new staff taken on without previous work experience are new graduates. Of all new staff, 54 per cent already have experience, 7 per cent are school-leavers, 9 per cent come into computing through internal transfers, and 28 per cent are new graduates. The computer industry is, then, highly dependent upon them.

In the UK, the STC group, of which ICL is a part, recruits 500 graduates a year. ICL recruited graduates from continental universities for the first time this year.

Many companies are reacting to the graduate shortage by competing on price and remuneration packages. Starting salaries for new pro-

grammers are in the region of £10,000 - £11,000.

These alternatives include: widening the recruitment net to include graduates from ethnic minorities, women and mature students.

Relocation to areas where there is a local surplus. Belfast and the Republic of Ireland are becoming popular locations for software companies because of the education systems there and local unemployment. This not only helps

How knowledge-based systems provide expert skills

Radical new solutions

used to ensure that all the correct questions are asked, and could be used to generate automatic documentation on the results of the interview.

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particular problem. Shells, on the other hand, are expert system development environments. This provides the first quarry: should you buy a specific expert system, or should you develop your own using an expert system shell.

The difficulty in answering this question probably explains the slow take up of such systems. Put simply, a good

expert system is not easy to develop and this would suggest the use of outside specialists.

However, the very nature of an expert system, a storehouse of all your corporate knowledge and expertise, will deter many companies from using outsiders.

describes the whole basis of such systems. The concept itself is relatively simple. The most important task, and what creates the potential of the system, is the definition and storage of a corporate knowledge base - similar to a database, but containing information and expertise rather than raw and unprocessed data.

Compiling the knowledge base is a difficult and lengthy business. It requires lengthy discussions with all existing company "experts," and the extraction from them of all their expertise. This in itself requires both tact and persistence - each person's expertise is their own future job guarantee, and is not easily surrendered.

However, consider the classic example of an expert system developed by Campbell Soup. An important part of soup production is the use of canned food product sterilizers, commonly known as "cookers." These are located in Campbell

plants throughout the world - and like all such plants, malfunctions and downtime are exceedingly expensive.

Local engineers can always handle the small problems. On occasion, however, serious problems require the particular expertise of someone thoroughly versed in the design, installation and manufacture of the cookers.

Such people are few and far between - indeed, in Campbell's case, it was one Mr Aldo Cimino who had accumulated his expertise in forty-four years with Campbell, and quite clearly, when he retired a considerable corporate asset would be lost.

Campbell Soups decided to develop an expert system based on Cimino's knowledge. This would provide two advantages: it would ensure that his expertise would not be lost, and it would make that expertise immediately available at any site around the world.

The company chose to use a system from Texas Instruments, and Cimino made himself available to a Texas Instruments "knowledge engineer." Initial interviews enabled TI to produce a very simple expert system. In itself it had little value -

**USING COMPUTERS 11**

**Kevin Townsend examines the complex development of operating systems**

**The debate intensifies**

UNIX is going to change the face of computing in the 1990s - or so the pundits tell us. But to what extent this will actually affect the average end-user, remains to be seen.

The main problem is that we have yet to see a universally accepted standard Unix, never mind the emergence of Unix as the single dominating standard computer operating system.

In the meantime, the alternative computing platforms - Dos/OS2 and Macintosh in particular - are strengthening their already entrenched positions and will prove increasingly difficult to dislodge.

To gain a clear perspective on what is happening and what will happen to these competing platforms we must first look at their histories. Unix was originally developed more than 20 years ago by systems engineers at Bell Laboratories in the US.

Twenty years is a long time in computing, and it is worth asking why, if Unix is the ideal standard platform, has it taken so long to come to the fore.

The answer may be found in its origins. It was designed not as an application vehicle for end users but as a software development vehicle for systems designers - it was designed by programmers for programmers.

At that time AT&T was prohibited by Anti-trust actions from directly entering the computer market. So it virtually gave away Unix licenses to anyone who wanted them. Two markets grew rapidly: academia and start-up computer manufacturers.

**Growing popularity**

In the first, it rapidly grew in popularity until it became a common doctrine thesis to port Unix to a new piece of hardware. In the latter market it was rapidly adopted by new manufacturers who took it as a ready-made operating system that could be used instead of spending many man-years developing their own product.

But against this, the process of giving away licenses to all and sundry has meant that literally hundreds of computer manufacturers took a standard product and developed their own additions and enhancements to run on a wide variety of different processors.

So, although Unix dominates the mid-range computer market, there have been dozens of different Unix versions - and, despite the theory of Unix software portability, few of these versions have been genuinely compatible.

In recent years, AT&T has started the slow process of forcing Unix conformity around Unix System V. But it's not so simple. IBM dominates the world computer market to an extent that is difficult for laymen to perceive. And IBM is one of those companies that licensed Unix and developed its own version - AIX.

Here you must consider the mentality of the Big Blue giant. Generally speaking, IBM likes to control 50 per cent of any market it enters - and generally speaking, IBM gets what it wants. But if a genuinely standard Unix were to emerge under the direct control of AT&T, IBM would find itself in a subservient rather than leading role - anathema!

So IBM, along with a number of other leading computer companies (notably DEC) formed the Open Software Foundation (OSF) dedicated to the promotion of a standard and open Unix based - need we say - on AIX.

This has not been welcomed by AT&T, who promptly announced the formation of Unix International dedicated to the commercial acceptance of AT&T's Unix System V as the standard Unix.

AT&T invited IBM to join UI, and IBM invited AT&T to join OSF. Neither invitation was accepted, with each camp accusing the other of trying to dominate the market and lead other vendors by the nose, rather than by example.

In the meantime, Dos/OS2 and the Macintosh continue to grow in strength. It is worth looking at these platforms in chronological order of appearance, for each still has its part to play in the Unix debate.

Dos arrived first. It was, and in reality still is, little more than a 16-bit version and extension of the original 8-bit micro-computer disk-based operating system, CP/M. It did, and still does, nothing revolutionary. Like Unix, it can be described as a text-based operating system.

The real revolution in micro-computing arrived with the Macintosh, a product that took technology pioneered by Xerox at Palo Alto Research Centre (Perc) and made it available in a popular format.

The revolution in question was a shift from a text-based

operating system to a graphical operating system, and the difference is enormous. A text-based operating is primarily designed to display characters of a fixed size and format - and has considerable difficulty in displaying graphics.

A graphics-based operating system has no such problem. It doesn't divide the screen into 28 rows of 80 characters, but measures the screen in terms of the horizontal dots (pixels) by the number of vertical dots.

Within this screen matrix it has the ability to produce any character in any typeface at any size - simply because it treats everything, including an individual character, as if it were a small picture.

What the Macintosh brought to mainstream personal computing was a completely new way of working with computers. Known as WIMPs (Windows, Icons, Mouse, Pull down menus), it is a graphical and highly intuitive method of working - and is now being copied and emulated by all the major operating platforms, including Unix.

Microsoft has produced its MS Windows, and has, together with IBM, produced Presentation Manager for the newer OS/2 operating system.

OS/2 is the latest arrival. Designed primarily for the PS/2 range of IBM personal computers it is, like the Macintosh, intended from conception to provide a graphical interface - but at the same time to be able to run existing Dos applications.

But what, you might ask, have these operating platforms to do with the future shape of Unix? This is where things start to get interesting - and confusing.

Central, but not necessarily pivotal, is Microsoft's designer of Dos, Windows, Presentation Manager, OS/2 and original developer of the Unix variant called Xenix.

Microsoft is also in the process of developing Presentation Manager for Unix, which will provide exactly the same user interface under Unix as it does under OS/2.

Furthermore, Microsoft's products provide the look and feel for Motif, which is the graphical interface adopted by OSF and currently rumored to be favoured also by Unix International. In other words, all the competing platforms and organisations seem to be simultaneously collaborating like mad.

It is DEC who throws some light on the situation. DEC, a front runner in the drive towards Open Systems, believes that we have all been blinded by an excessive debate on Unix. The debate about Unix has been overtaken - the issue now is "open systems", and this is much wider than Unix alone.

DEC believes that the existing non-Unix platforms not only will survive but should survive. The Unix debate itself is a side-issue, and one that has already, despite the rhetoric of opposing camps, been solved.

**Compatibility**

Almost every Unix interest has declared a commitment to the US POSIX (Portable Operating System Interface for Computer Environments) standard. This will inevitably ensure that all existing Unix variants will eventually be fully compatible - so whether they are identical or not becomes largely irrelevant.

It is very likely that the user interface will also become identical, based around the appearance of Microsoft's Presentation Manager - which in itself owes much to the pioneering work on the Apple Macintosh.

The concept of open systems will then ensure that Dos/OS2 and the Macintosh will all be able to work in harmony and transparently with Unix.

The typical computer installation of the 1990s will, then, most likely be a mixture of Macintoshes and IBM PS/2s (and compatibles) sitting on individual desks, but attached to larger Unix systems that provide all the network services. Which Unix (System V or AIX), and which organisation (Unix International or the Open Software Foundation) will prevail is irrelevant.

Furthermore, the actual way in which users apply computers is unlikely to change. Individuals will still use personal computers on their desktops - but they will have all the support of a universal and standard Unix power system underpinning them.

It is not UI nor OSF that will win the Unix debate. As Sean Dowling, managing director of Tetra Business Systems and a director of Uniform, the Unix users' group, explains: "It is the user who will win from a standard Unix."

As the computer industry moves toward establishing common interfaces that will enable different types and brands of computers to share data and software, manufacturers have become engulfed in a series of "standards battles."

The need for industry-wide standards is well recognised. It was the establishment of de facto standards based upon IBM's architecture and Microsoft's DOS operating system that allowed the personal computer market to flourish over the past decade, many industry observers believe.

With each new generation of technology, however, arguments have arisen over how new standards should be established in the personal computer industry, the major issue has become the argument over "bus" standards. A computer "bus" is the internal communications system that determines how data is moved from one part of the computer system to another.

With its launch of the PS/2 range of personal computers two years ago, IBM introduced a new bus architecture called "Microchannel." Previously, all makers of "IBM-compatible" personal computers had followed IBM's lead and "cloned" the bus architecture of the industry leader's products.

Splitting with IBM, however, leading personal computer makers declared their support for a new industry standard internal "bus" structure which called Extended Industry Standard Architecture, which they developed collaboratively. Rather than license Micro-

**More arguments have arisen over industry-wide standards, as Louise Kehoe explains here**

**Uncertainties prevail**

channel technology, IBM's competitors in the personal computer industry have chosen to create their own open standard that will be available for a nominal licensing fee to all comers.

**Issues range from the design of floppy disks to attempts to create a new industry standard for microcomputer "bus" architectures and to such critical topics as the choice of computer operating systems.**

Members of this industry group, including Hewlett-Packard and Compaq Computer have recently launched the first personal computer products to incorporate the EISA bus. Unlike IBM's Microchannel

systems, personal computers incorporating the EISA bus are capable of running existing standard software.

Another issue facing the personal computer industry is the size of floppy disk drives, the magnetic storage media used with all personal computers. The industry initially standardised upon a 5.25 inch floppy disk, but has gradually been moving toward a 3.5 inch size over the past few years.

Now some disk drive makers and Toshiba, one of the leading manufacturers of portable "laptop" computers, have introduced tiny 2.5 inch disk drives and floppy disks.

In the software arena, the industry is divided over operating system standards. Microsoft's introduction of OS/2, an operating system designed to take advantage of the latest microprocessors, creates yet another dilemma for computer buyers.

The predominant personal computer operating system, Microsoft's DOS, must now be regarded as a "lame duck." Much of the efforts of developers of software applications is now being directed toward

creating programs to run on OS/2. This means that in order to take advantage of the latest software, users may be forced to switch operating systems in the next few years abandoning their software investments to date. Until a solid base of OS/2 applications is established, however, most users will prefer to stay with DOS.

In the broader computer market, the trend toward "open systems" has focused attention on UNIX, the widely used AT&T computer operating system.

Currently dozens of different varieties of UNIX are used on different types of computers. In an effort to resolve this Tower of Babel and enable different types of computers to share software and data, AT&T set out to develop a single "unified" version of UNIX.

Instead of drawing the industry together, however, AT&T's plan caused an industry-wide schism between those who joined with AT&T on the understanding that they would become involved in the development of a "standard" version of UNIX, and those who rejected AT&T's plan. The latter group formed the Open

Software Foundation and announced plans to develop their own, rival version of UNIX.

Recently, AT&T introduced its "unified UNIX" and demonstrated the operating system

**Quandaries surrounding the future of the UNIX operating system has left computer users frustrated and angry. Dozens of different varieties of UNIX are used on various types of computers.**

running on more than a dozen different types of computers. In a move aimed at mending the industry rift, AT&T has also proposed selling equity stakes in its UNIX Software Operation to other computer companies. Although there are signs

that industry leaders are ready to bury their differences over UNIX, it is still unclear how the issues will be resolved. In the meantime, the uncertainty surrounding the future of the UNIX operating system has left computer users frustrated and angry.

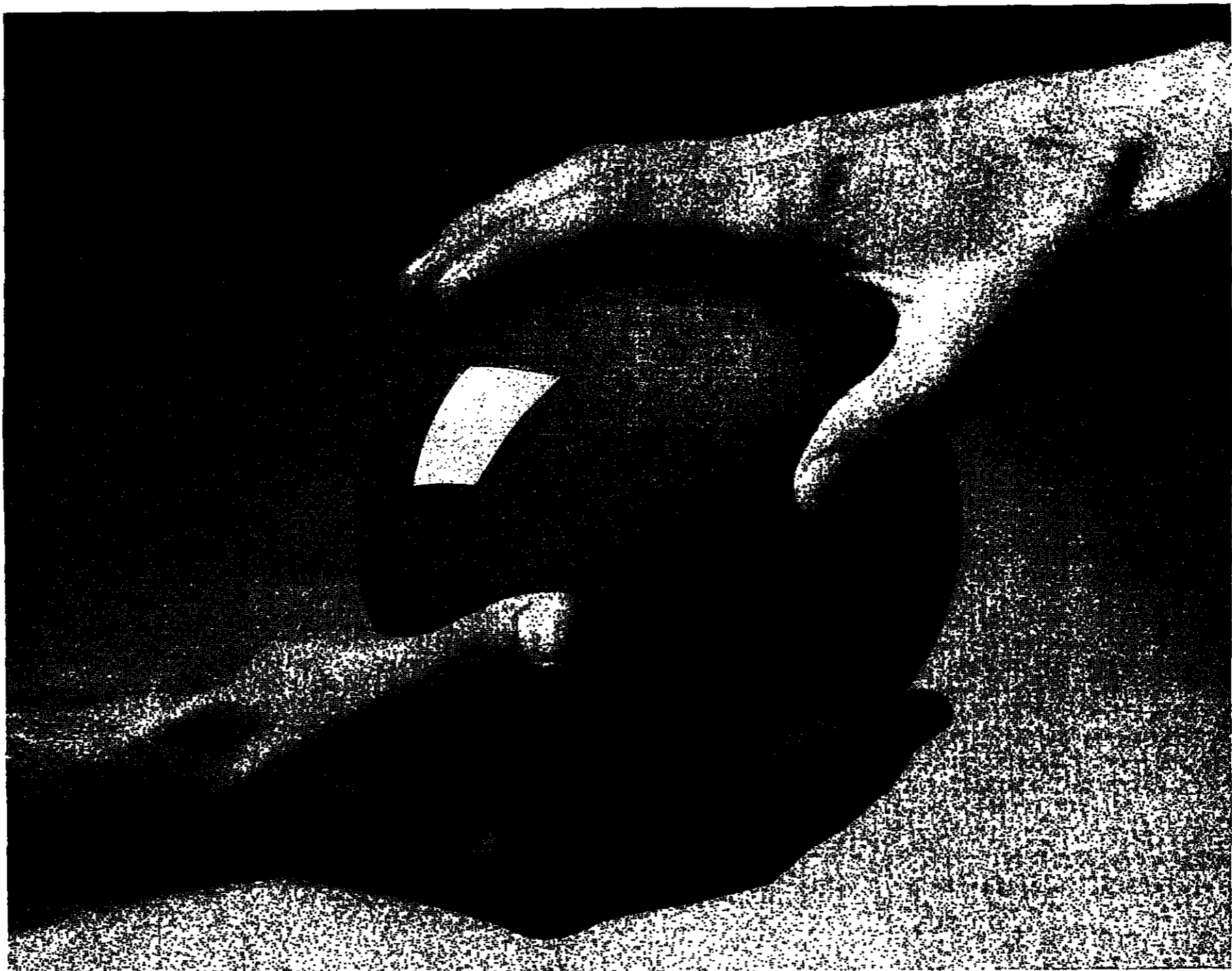
Adding to the quandaries faced by data processing managers is the vexing question of how to link an increasingly diverse base of computers into a company wide integrated information system.

US computer makers are intent upon solving the problems of data communications, but to date they offer only patchwork solutions.

"Multi-vendor inter-operability" is the goal of users and manufacturers alike. Business computer users want to be able to run different brands and types of computers on an integrated system.

To meet this need, computer manufacturers have pledged their support for the International Organisation for Standards "Open System Interconnect" model. It will, however, be a several years before details of the OSI standard are worked out, according to industry experts.

In the US, most network vendors say that they intend to adopt the OSI model when it is complete. In the meantime, though, they are building their own solutions. Users must either choose a proprietary standard such as IBM's Systems Network Architecture or bet upon one of the computer network company's intermediate "open" standards.



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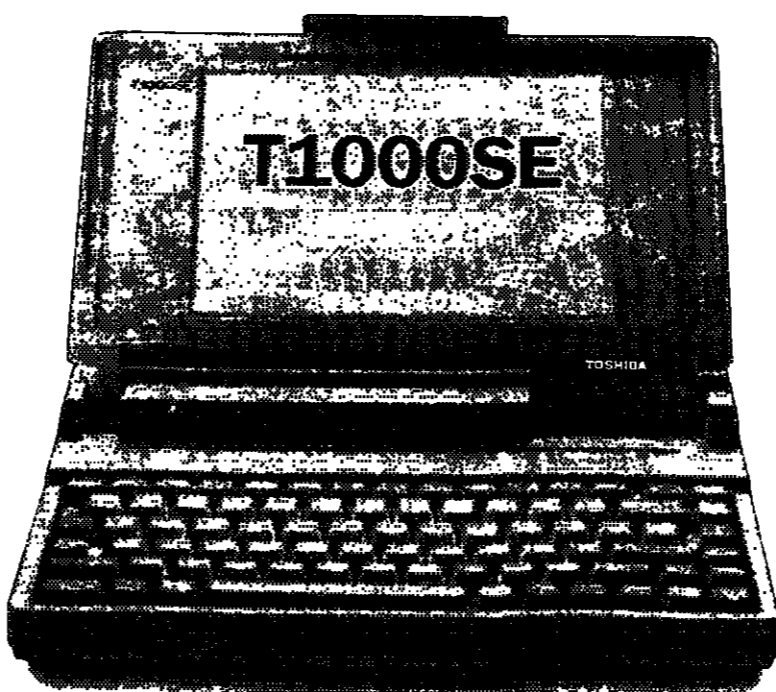
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SECTION IV

# FINANCIAL TIMES SURVEY



During the 1980s Bristol emerged as one of the country's most prosperous cities. However,

some observers feel the edge has gone off the economy as space runs out and the city suffers from congestion and rising office costs.

Anthony Moreton investigates

## Constrained by success

THREE YEARS ago, as the British economy was coming out of the recession of the early 1980s, a group of academics at the University of Bristol published a book that posed the question whether their city was about to become Britain's sunbelt city.

Mr Martin Boddy, Mr John Lovering and Mr Keith Bassett maintained that Bristol had acquired the image of a high-technology growth area at the western end of the M4 motorway corridor. That change had seen a number of modern sectors, such as financial services, electronics and media activities, largely replace the city's traditional, and declining, base centred on tobacco, paper and board and food and drink.

Companies such as Hewlett-Packard added to the technology base created by British Aerospace and Rolls-Royce. Insurance concerns such as Sun Life, Clerical, and London Life moved their headquarters to the city to join National Westminster Bank's insurance services division and registrar's department.

Three years on is Bristol still Britain's sunbelt city? Is the economy still changing in such a way that the 1990s will consolidate Bristol's position as

one of the most prosperous cities and one of the most important financial centres after London and Edinburgh?

Mr Boddy and Mr Lovering are not quite so sure. Three years ago they were sufficiently cautious to say that "the city's high-tech growth image and Silicon Valley comparisons are largely wishful thinking." Now they believe the edge may have gone off the growth of the financial sector and that some of the problems inherent in the city could inhibit the flow of income.

"There is a real feeling," Mr Boddy says, "that not a lot of space is left. The city is suffering from bad traffic congestion, rising office costs and escalating wage costs."

"One consequence is that companies that might have come here have gone elsewhere. TSB went to Newport, the Bank of England to Gloucester, the Charity Commissioners to Taunton. The south west is becoming a viable economic region and as companies look to move out of the south east they will increasingly consider these towns and places in addition to Bristol."

Mr Lovering is concerned by emerging skill shortages aggra-



A view over Bristol with the Watershed complex and the cathedral in the background: the lack of space in the city is one of its most pressing problems

# BRISTOL

vating the drop in the number of school leavers - the so-called demographic time-bomb. "Training is a major problem," he says. "There has been a massive decline in this area as companies devote fewer resources to it."

His fears are corroborated by the Industrial Society. A report commissioned by it from Mr Jeffrey Austin of the PA Consulting Group showed that the number of young people between the ages of 16 and 24 coming onto the Bristol jobs market will slump by more than 30 per cent by 2000.

Another to voice concern is Mr Michael Green, NatWest Bank's regional director, who comments that "finding staff has now become a deterrent to any company thinking of relocating to Bristol. The quality of those coming onto the market is first-rate, since the schools here are very good. But as Bristol becomes increasingly dependent on the financial sector it is essential that steps are taken to improve the flow of workers."

It is partly to meet the problem of staff shortages, partly to

overcome the difficult traffic conditions, that companies have begun to copy what has happened in inner London and move part or all of their operations out of the centre.

Clerical and Medical is switching some of its business to nearby Clevedon. Bristol and West is moving its computer operations to the north of the city; South Western Electricity, Sun Alliance Phoenix and NatWest's insurance services are going to Axtec West, a development alongside the M5 motorway to the north west of the city; Christie's Bedroom Furniture is going to the docks at Portbury.

Mr Mike West, Bristol's Economic Development Officer, does not believe these moves indicate any weakening in the city's base. "Moves out of town will not harm the economic health of the city," he says,

"Rather, they will enhance the centre, such as the redevelopment of the Broadmead shopping centre and the Galleries shopping centre."

It is the quality of life as much as anything else that attracts people to Bristol. In spite of the fact that it was in Bristol that urban violence erupted in the early 1980s, the city is still seen as an attractive place to live. This is because of its schools, its good housing, and its nearness to the beauty spots of the south west.

It has in Clifton a suburb that draws comparisons with London's Hampstead as a place of charm and grace peopled by intellectuals, bookshops and wine bars. In an era of green-

ness, Bristol has been green for decades, perhaps centuries. There is, however, continuing social tension in St Paul's,

poor housing in parts of the city, especially the south, and a need to improve transport.

"The problem with Bristol," according to Mr Bob Durie, a partner in J P Sturge, the national property consultants,

"is that the city has missed too many opportunities. The council is only now producing a city centre development plan after a long time and there is too little strategic planning."

Mr Durie is, like many businessmen, a critic of the council house, as says the left-wing council has indulged too much in politics and too little in directing its future.

The council has for some years been in the grip of the hard-left in the Labour party, though some detect the party's centre having recently gained the upper hand. Whichever faction has the upper hand cannot prevent

outbreaks of municipal madness. The recent decision, for example, not to include leading hotels such as the Grand, Holiday Inn and Hilton in an accommodation guide because they would not or could not put their names to a statement that people wanting to stay in them would not be discriminated against on grounds of sex, race, religion, marital status or sexual orientation.

More seriously, the council remains adamantly opposed to the Bristol Development Corporation set up by the Government to rejuvenate some 700 acres of the inner-city around Temple Meads station and relations between the two bodies remain fraught.

It is coming to terms with Advanced Transport for Avon, the privately-led body seeking to bring trams back to Bristol's streets as a means of overcoming potential traffic problems in the coming decades.

Yet co-operation with the private sector is essential if the changes taking place in the economy are to be turned to advantage. What one industrialist

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Editorial Production:  
Phillip Halliday

called, "an outbreak of peace in the world" could have a significant effect on Bristol. The city's manufacturing industry is heavily influenced by the defence sector and 1,300 jobs have been lost among those working on military contracts. There are doubts, too, about the future of the tobacco industry, an industry which employs fewer than 2,000 where once it accounted for 25,000.

Bristol may not have a great deal of space in its centre to provide the sort of manufacturing jobs that are as vital to its future as the inflow of financial-services companies. It is therefore disappointing that there should be a difference over what is available.

More manufacturing jobs are needed, according to Mr David Kern, NatWest's chief economist, because real economic growth in Severstide, of which Bristol is the core, will slow from 2.6 per cent this year to 1.3 per cent next year. At the same time, unemployment, which has fallen by 56 per cent in the past three years, will rise in the next 18 months by about 11 per cent.

This slowing in the pace of economic growth means that the area is at a watershed. Mr Terry Nash, director of the chamber of commerce, says: "If Bristol is to succeed in future, we must develop a philosophy of economic development planning, or strategic thinking, now."

He accepts this means a sort of national economic development office for Avon, a form of words that might be acceptable in the council house but which is probably anathema in Whitehall.

At the university, Mr Boddy and Mr Lovering maintain that Bristol is suffering, from its own success: "The economy of the city is still sound," they comment. "But it is running up against constraints arising from that success. If it has lost a little of its competitive edge it is still a place with a healthy future."

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**BRISTOL 2**

**Stewart Dalby on the struggles between a thriving private sector and a largely left-wing council**

**Finding the right balance of development**

IT IS tempting to think of Bristol as being politically akin to Liverpool or Sheffield.

They are cities which were dominated by left-wing councils and national politicians at the end of the 1970s.

The councils were determined to spend money on causes they perceived as worthy, such as housing, cheap transport, social welfare. To do this, they often raised rates to levels which frightened off potential investors which might have created jobs to offset the large unemployment in these cities caused by the decline of traditional industries.

Along came the Thatcher governments determined to break the power of big city local government and curb their spending.

During the 1980s these councils gradually saw the error of their ways - if you view the process as a businessman or property developer.

Sometimes they came to terms with the fact that Mrs Thatcher was in power for the duration and would curtail their revenue raising - if you

Labour Party chief whip. This challenge was seen off amidst claim of a great victory for moderation as Mr Cocks was a firm supporter of Mr Neil Kinnock, the leader of the Labour Party.

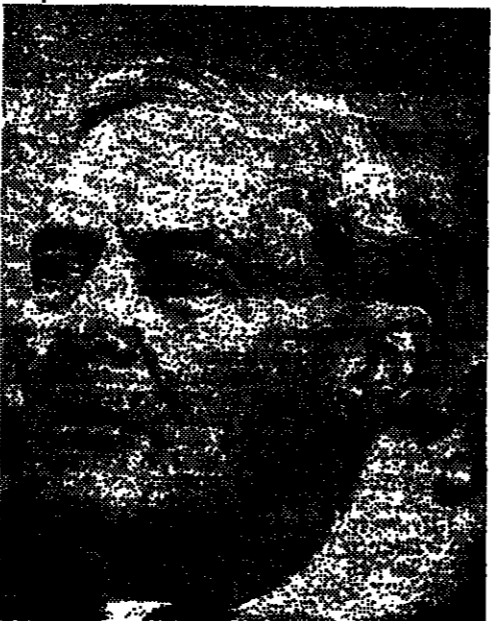
However, the hard left had one last sting in its tail. Before the 1987 election Mr Cocks was deselected as a candidate by the local party.

The Bristol South seat was won by Ms Dawn Primarolo of the left. It was a pretty Pyrrhic victory for the left however, in that the four other Bristol seats were held by conservatives. Mr Cocks became Lord Cocks and continues to flummox against Mr Benn.

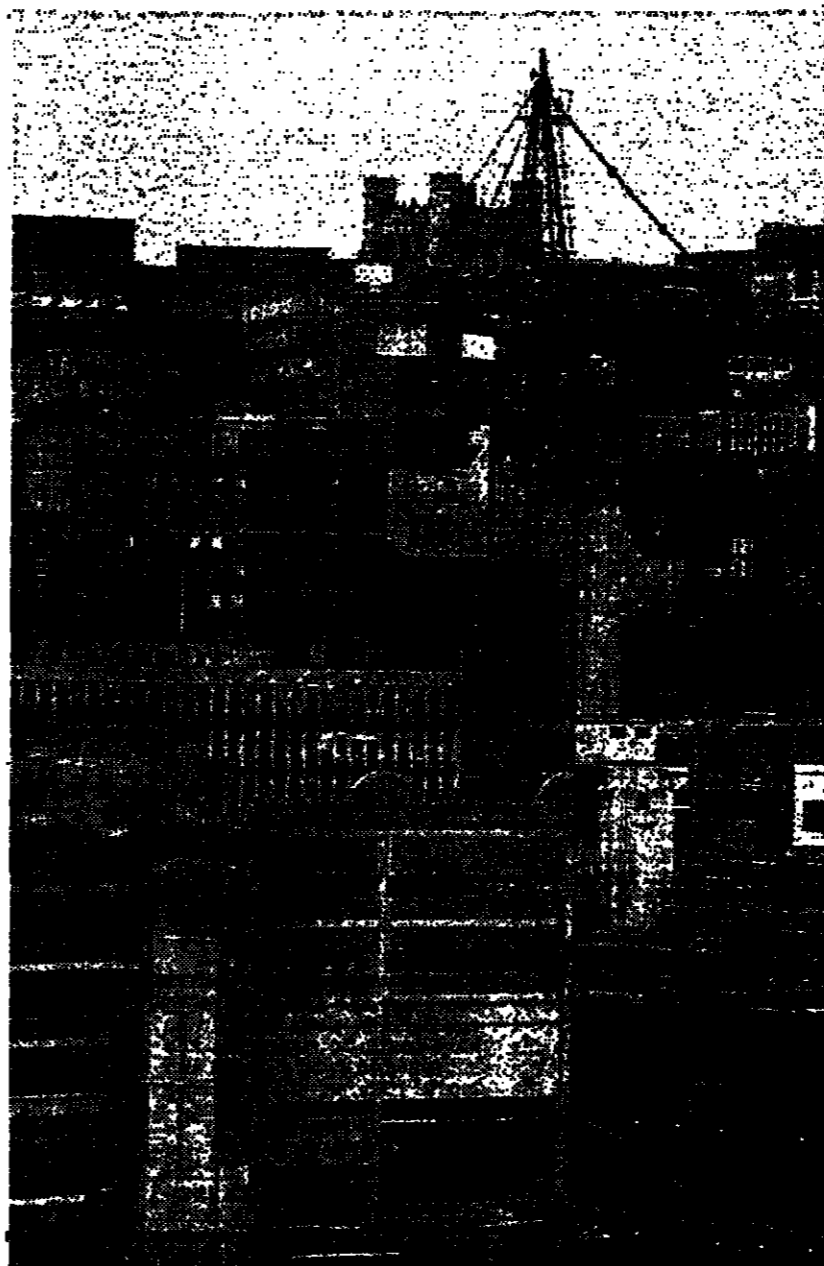
The national picture is important because of the pressure that MPs, in turn under pressure from their local parties, can bring to bear on the government or opposition of



Primarolo: won Bristol South



Benn: lost Bristol South East



Tony Andrews

The council wanted a balance of development in the city

**The conflict between left wingers in city hall and the private sector over city development took on a different complexion from battles in Liverpool and Sheffield**

happen to see it as a left-wing politician. One way or another all three cities had moderate councils by 1988.

None of these three towns are strictly comparable for many reasons. But Bristol is specifically different from the north in that it has successfully attracted many new service companies and has turned itself into a thriving business city in spite of the image of a town dominated by left-wing politicians frittering away funds.

This has meant that the struggle between the left wingers occupying City Hall and the private sector over the way the city should develop has taken on a different complexion from the battles in Liverpool and Sheffield.

The background to the struggles of the Labour Party in Bristol have been well documented.

When the Bristol South East seat was redrawn before the 1983 general election, Mr Tony Benn, the veteran left winger who had held it since the early 1950s, lost it to a conservative, Mr Jonathan Sayeed.

Mr Benn then mounted a challenge, as he was entitled to do, for Bristol South held by Mr Michael Cocks, the then

their city. At the local level the city council, in fact a district council, has been in the hands of the Labour Party for the past decade with a short break of Conservative rule in 1983-4.

Today there are 39 Labour councillors, 24 Conservatives while five belong to the Liberal Democrats. Eight of the Labour councillors are what the local media calls the rebel councillors.

They are considered hard left and only appear at full council meetings. They refuse to attend committee meetings. The overall council is considered by all to be firmly in the hands of moderates.

Thus a decade of the central government chipping away at local government's ability to raise and spend money has had its effect.

Councillor George Micklewright, a leader of the Labour Party, argues: "Given the limits imposed on funding, the council accepts that the only sensible way is in a balanced fashion with the private sector."

Many in the private sector feel, however, that although things are better than they were, they have had to put up with a decade of the council

dragging its feet over all kinds of planning proposals.

This has resulted in the council refusing to give planning permission for office buildings. It has meant a shortage of car parks; it has also meant that Bristol almost alone of the country's big cities, has had to wait until now to get a proper one-stop shopping centre in the middle of town.

It has resulted in Bristol trailing the field in moving towards a light transit railway system. The only proposals for such a scheme come from the private sector.

Bristol, unlike nearby Bath, does not have a park and ride scheme of parking on the outskirts of town and bussing into the centre.

The council counters all this by saying they have always

wanted a balance of development in the city.

Uncontrolled office development has created the congestion by encouraging 150,000 commuters to come into the centre each day, most of them in their own cars. It has also denuded the centre of town of life because few people can afford to live in the centre.

Certainly the old-style sweat shop industries to which people could walk to work have been forced to move out. The council has been largely unsuccessful in preventing office building.

Such has been the demand that developers have usually come over the head of the council when it has objected and appealed to the Department of the Environment. Usually the developers have won. There has been some resis-

tance to these charges are that "Conservatives would say that, wouldn't they?"

The council is uneasy about the corporation's plans because they feel it would be more of the same, more offices, more high cost housing, more congestion, more strain on services.

Still there are the 12,500 families on the waiting list. Still there are families in bed and breakfast. Nothing is being done for them.

The council has so far not been rate-capped but it is facing with some trepidation the poll tax next year.

Some 60 per cent of its £300m budget comes from rates on business premises. It feels a further fall in its revenue is inevitable, but as the corporation accepts there is nothing it can do.

The problem for the outsider is that many of the arguments on both sides are plausible. There is no indisputable right and wrong in the discussions; only right and left.

dential building along the river but this has been what developers call quality housing, and the council refers to as "yuppie" housing. It is way beyond the means of the 12,500 families on the council's housing waiting list.

The differences between the council and the private developers have honed in on Canon's Marsh, a 15-acre site on the banks of the River Avon.

This is virtually the last prime site left in the centre of Bristol. The arguments have raged for 10 years.

The private developers say the council has refused permission because it did not want more offices or yuppie housing or conference centres built there.

The council says this is untrue and the problem has been the mixed ownership of the land. The council is only

Government) to create the development corporation. Ostensibly one was created because of the need to spend money on the infrastructure and the council has not got the money. The corporation has a government-supplied budget of £15m.

The charm of the corporation from the developers' point of view is that it takes away planning rights and compulsory purchase rights from the council.

Developers say that the council has been much chastened by the creation of the corporation and has now become reasonable on other questions.

The leader of the Conservatives in Bristol, Sir Robert Wall, says the council is opposed to the corporation for political reasons. The area is part of the Bristol East constituency of Mr Sayeed. He has a majority of only something over 4,000.

It is one of the seats the Labour Party must win if it is to gain an overall majority in the next Parliament. If plans for more quality/yuppie hous-

**Many in the private sector feel that although things are better, they have had to put up with a decade of the council dragging its feet over planning proposals**

one of a number of landowners. The others include British Rail, the gas board and so on. None of them could agree with what should be done with the site.

It seems likely though that a plan for Canon's Marsh will be developed soon.

Attention will then shift to a new battleground - the land covered by the recently designated Bristol Development Corporation.

Here the different points of view are sharply brought into focus.

The Bristol Development Corporation covers an area of 1,000 acres stretching out from Bristol Temple Meads station. It is criss-crossed by railways and has very poor road access. Very few people live there but there are a number of old, small factories and some 14,000 people either walk or bicycle to work from nearby estates.

As the council sees it, the developers, running out of land and fearful that the council would never give permission for more offices and more quality/yuppie housing where factories and low cost housing should be, persuaded influential people to lean on the Government (and one MP, Mr William Waldegrave is part of the

ing go ahead in the area, it will hardly help Labour's chances since most of the yuppies will almost certainly be Conservative voters.

The reaction of the council to these charges are that "Conservatives would say that, wouldn't they?"

The council is uneasy about the corporation's plans because they feel it would be more of the same, more offices, more high cost housing, more congestion, more strain on services.

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**BRISTOL 3**

The pressures on office space in the heart of the city are affecting the growth of the financial community, says Anthony Moreton

# Regions beckon as the centre becomes less attractive

**NEXT SUMMER**, Lloyds Bank will begin moving much of its UK retail banking headquarters functions into a new building being built along Canon's Marsh.

Some of them are already in temporary premises in Bedminster but when the 1,400 employees (half recruited locally) are in Canon's Marsh, the bank will have played a notable part in sustaining the financial services industry in the city.

There was a time, perhaps as recently as 12 to 18 months ago, when Bristolians, native and adoptive, confidently forecast that Bristol was on the way to becoming the most important financial centre in England.

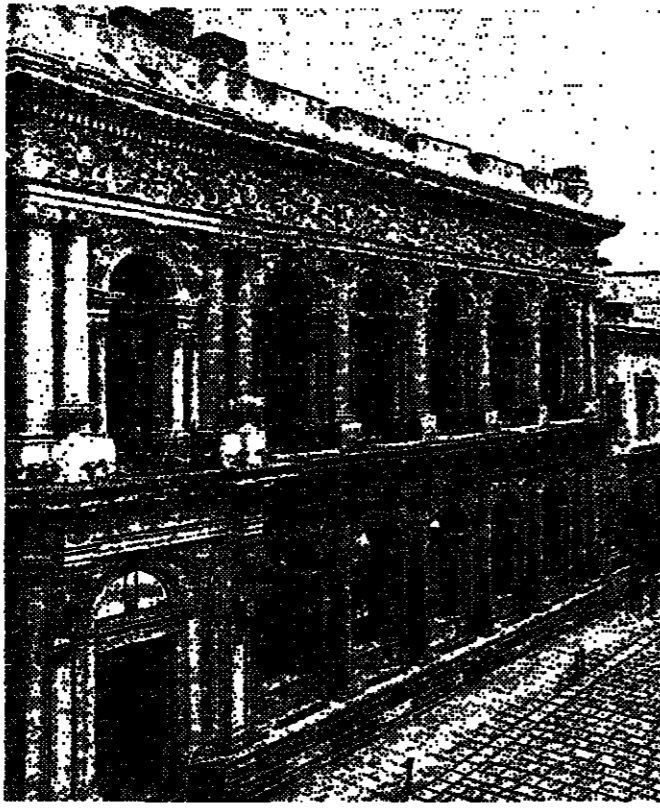
The optimists looked not just at the arrival of Lloyds but the way in which other companies had chosen the city. First, in the 1970s, there was the arrival of several insurance companies such as Clerical, Medical and General, Phoenix, Sun Life and London Life.

Others followed. NatWest Insurance Services, one of the largest insurance brokers and independent life assurance and pension advisers in Britain, moved its headquarters to the city in 1973. The bank's registrar's department, which handles more than 500 public limited companies, was relocated to Bristol a year later and employs more than 650 people. Only a month ago, NatWest Growth Options, the bank's venture-capital arm for smaller businesses, opened a Bristol office.

During the decade to 1981, employment in the financial services industry grew by 75 per cent. That increase has continued, though there are no official figures to indicate its true level.

Legal and accountancy firms in the city have grown to the point where they conduct the most sophisticated and technical matters to a level previously only obtainable in London - and at a fraction of the cost.

Mr Mike Barnes, managing partner of the newly-created Ernst & Young accountancy firm, offers just one example. "We can undertake work on tax matters in the European Community or work on inland Revenue investigations. Not many cities can say that."



Something old: the facade of Lloyds Bank in Corn Street

Elsewhere, the city has its merchant banks in Hill Samuel, Dartington and Singer and Friedlander. It has overseas banks such as Societe Generale and Royal Trust Bank of Canada. Royal Trust moved in last year and, according to Mr Bob LeFroy, its manager, it has had a "marvellous" first year.

The city has venture capital groups such as 3i and Avon Enterprises. "If you look at the county of Avon as a whole," says Mr Ian Fuller of Coutts, "there is a marvellous reservoir of good people and services here."

Mr John Kingston, 3i's director, agrees. "When you consider that Bristol has no great tradition as a manufacturing centre on which a financial services industry can grow, then its growth in recent years has been quite phenomenal. Bristol has a well-balanced financial community."

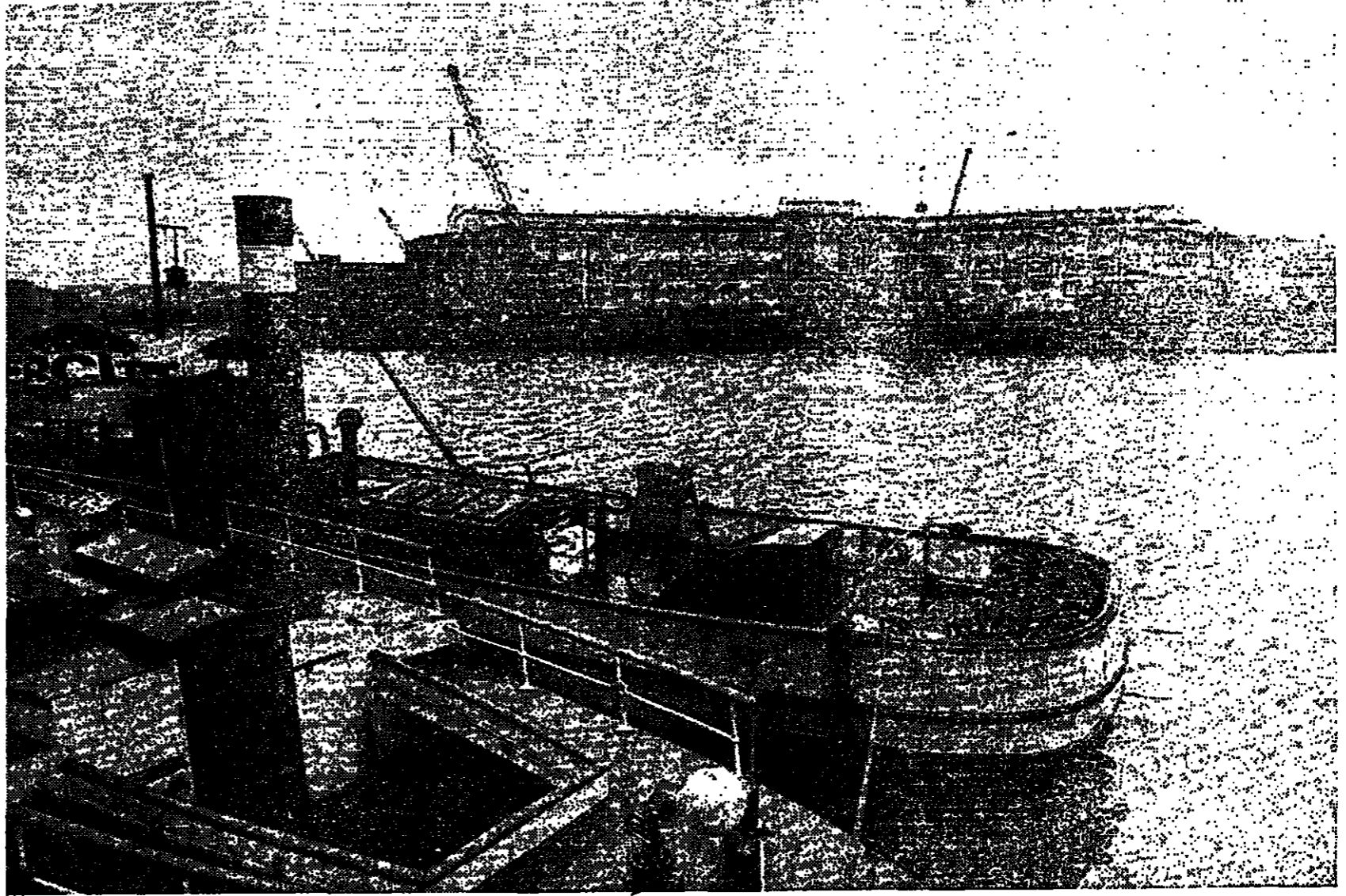
However, the question is increasingly being asked whether the shine has not gone off the industry, whether the rate of growth is not now slow-

ing. Mr Clive Halton, partner in charge at Deloitte, feels this may be happening. "The growth of financial services was about insurance companies and banks coming in," he says. "It wasn't particularly about companies growing."

"The incomers certainly led to some spin-off - in areas such as computer agencies and employment agencies. But not enough of that happened and most of the decision-makers are still in London."

3i's Mr Kingston does not think Bristol has gone off the boil but he does believe more heavyweight arrivals are needed if the momentum is to continue and if Bristol is to become the second city of finance. "In development capital, no one has really joined 3i," he says.

3i is growing at about 25 per cent a year, a rate being expected by the leading accountancy firms but there are fears, and Mr Kingston expresses them, that as the UK economy goes off the boil so Bristol will, too. Mr David Kern, chief econ-



Something new: the Lloyds building under development along Canon's Marsh will form part of the group's retail banking HQ

omist at National Westminster Bank, has forecast that growth will slow in Bristol and the Severnside area and unemployment will rise next year.

Mr Graeme Robinson, corporate finance partner at Ernst & Young, is an optimist, though. "The development of corporate banking in Britain has filtered to Bristol," he says, "and the merger activity among the major accountancy firms has created groups able to exploit the new economic conditions."

Mr Clive Barlow, partner-in-charge of Coopers & Lybrand,

sees that strength coming from the emergence of Bristol as the "capital" of a region rather than just as a financial city.

The Bank of England is moving an operation to Gloucester and with Lloyds and the Charity Commissioners choosing Taunton for their operations, he sees strength emerging in the wider area.

Mr Chris Dunkley, managing director of Dartington, agrees: "This is a region and a region with a wealth basis. To service that in merchant banking terms you have to be here; you

can't parachute people in when the mood takes you."

The development of the region is needed. Within the city there are definite signs that pressure on space and difficult traffic conditions are making people think twice about opening there. Some potential arrivals, such as TSB, chose to go across the bridge rather than live in the city.

And within Bristol itself there is a movement, relatively minor but growing, for companies to look to the outside to escape the tyranny of the cen-

tre.

Clerical and Medical is moving part of its operations to Clevedon; the Bristol and West Building Society is putting its computer centre at Aztec West, alongside the edge of the city adjoining the M5 motorway. South West Electricity is making the same move. So is NatWest, though it has not yet announced anything officially.

High office rents - getting close to £20 a sq ft - difficulties in getting good staff and a shortage of good, modern offices are blamed.

Mr Stephen Lippfriend, of commercial surveyors Lippfriend Dawson, says: "There is less office space ready to be let in Bristol than ever following a huge growth in take-up over the last year."

These pressures are all causing people to think before committing themselves. Bristol is not going into decline. What is happening is a change of the way in which it is growing. The city centre will become less attractive to large incomers until more modern office blocks come on the market.

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In fact, after a sojourn on the outskirts of Bristol, the head office has recently returned to the original Denmark Street site. Harveys is back where it started.

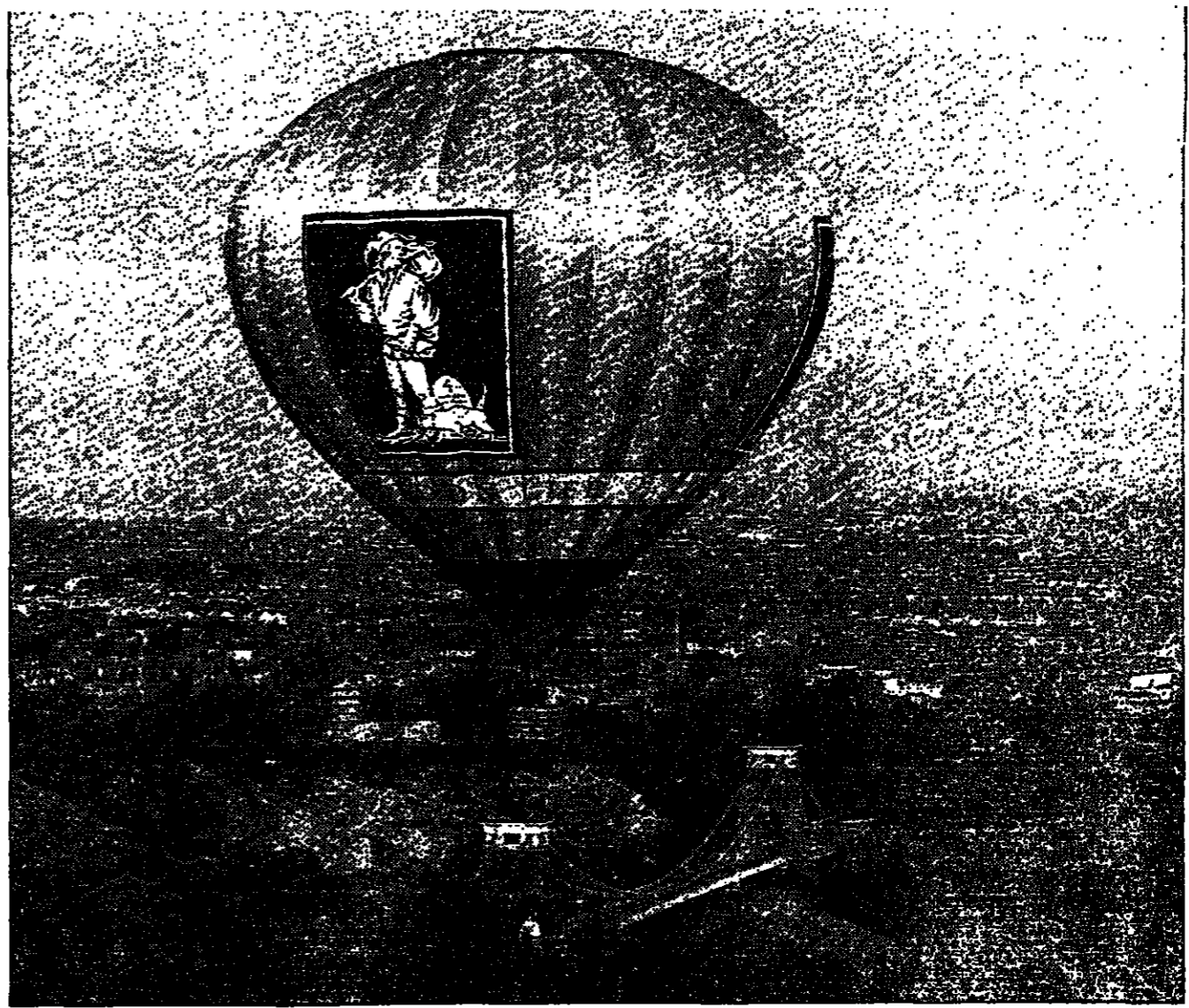
Now, even in this brief history of the company, one thing is clear. You cannot separate Harveys of Bristol from Bristol. Harveys without Bristol is Gilbert without Sullivan.

So what about the next two hundred years? Is this company going places? Well, yes, and no.



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**BRISTOL 4**

The university has a close relationship with commercial life, reports Jim Kelly

**Study of academic links with industry**

IF ACADEMIC life has a symbol in Bristol it must be the Wills Memorial Tower, a neo-gothic flight of fancy which punches up into the sky above the city centre.

Completed after the First World War at an eventual cost of £501,568 (19s 10d, £10m at today's prices), it rose, literally, on the munificence of H O Wills and the family tobacco empire. Overall the family contributed something in the region of £22m to the establishment of the university.

This close relationship between academic and commercial life in the city is still a feature today: at a university which boasts at least five world-class departments, and at a polytechnic which enjoys a nationwide reputation for excellence.

At its most sophisticated this relationship has been expressed by the university's vice-chancellor, Sir John Kingman, who has taken the lead in the debate on the funding of higher education.

His vision of a "free market" in higher education, backed by the annual meeting of vice-chancellors and principals in October this year, would eventually lead to new and vital links between industry and the UK's universities.

Under Sir John's scheme, now labelled The Bristol Option, universities would decide how many students they would take in and how they would be charged.

Each university would be allocated a number of state scholarship students by the Universities Funding Council: additional students would be supported in a number of ways, including scholarships from industry.

Tuition fees would be set just above those paid by overseas students to maintain and

keep the best levels of staff numbers and quality (£4,000 for arts students, £6,000 for science, and £10,000 for medical students).

But Bristol University's links with the commercial world already, according to press officer Mr Don Carleton, evidence "a business-like approach".

This approach is moving towards its present goal of building a £500m Science and Research Park at Emerson's Green: the subject of a public inquiry the result of which is due at Christmas. "We expect the verdict to be in our favour," says Mr Carleton.

When fully developed, in association with Bristol Polytechnic, the University of Bath and commercial partners Chesterfield Properties, Emerson's Green is expected to contribute £160m to the UK's balance of payments. Its effect on the local economy is estimated as 22 times that of the location in Bristol of Hewlett-Packard.

Bristol's attitude to industry and commerce is further illustrated by its response to the Government's decision to close the Institute of Food Research, one of three in the UK as part of a general policy to cut central funding of "near market research".

The university is now talking to the Universities Funding Council and the Agriculture and Food Research Council to save the "good science" on the site and to continue research in areas such as salmonella and listeria which are of great public interest.

While the university recognises the decision to close the institute, the general philosophy can apply to its salvation: "We feel the quality of the product can justify a good market price," and considerable positive feedback in teaching.

Bristol sees itself as providing Europe with students after 1992 in the expanding European market: "We are producing good products for the world market," says Mr Carleton. What is more, the university is turning away 18,000 "customers", that is potential students, every year. Income from industry and commerce is seen as playing a vital role in closing the funding gap.

"We want the freedom to take as many customers as we can get; give us that freedom and we will deliver the products," says Mr Carleton.

He insists that Bristol's "financial clarity" about its future destroys the belief that there ever can be a "free education".

Mr Adrian Hill, the university's industrial liaison officer, keeps a professional eye on the university's intellectual property rights and exploitable research results and seeks to co-ordinate post-graduate activities related to industry and commerce.

He also tries to identify EC research possibilities for academics while acting as a link to the chamber of commerce and the community.

Mr Hill sees the growth in contact with the business world as a "steady flow" based on a mutual increase in knowledge and understanding and an avoidance of "cold contacts". Recent achievements include a £230,000 contract with a drugs company for technique development and a £250,000 licence agreement with a telecommunications company which could prove more lucrative.

The university is part of Technet, a link-up across seven counties which provides small and medium-sized companies with a "single door access" to a large pool of knowledge on

research and development.

Mr Hill says the objective of the university's expansion in the sector is the pursuit of knowledge and excellence. He quotes the university's own Graduate Enterprise Scheme as an example of the "percolation" of these ethics throughout the university organisation.

Bristol Polytechnic, the heir to the Merchant Venturers College and the Bristol College of Commerce, sees its role entwined in the local business and commercial community by definition. And it can point to the location of Hewlett-Packard on an adjoining site, soon to be complemented by Du Pont, as evidence of its efficacy in providing a service.

Income from research and development has jumped from between £1.5m and £2m, six years ago, to £7.5m and the scale of the expansion is likely to be given a fillip by the completion of a £11m information technology project. According to Mr Rob Cuthbert, assistant to the director and head of corporate planning, the important phrase in the polytechnic's development is "In Partnership".

With 11,000 students and a £30m a year budget, the polytechnic provides the local economy with a large education and training resource and Mr Cuthbert says the relationships which have grown up are not "antipathetic" in any way to the philosophy of a polytechnic. "We have to look realistically at what you can get industry to pay for," he says. But he adds: "Most of our money comes from the National Funding Council and that will continue to be the case."

The Bristol Business School (BBS) at the polytechnic offers the most popular under-

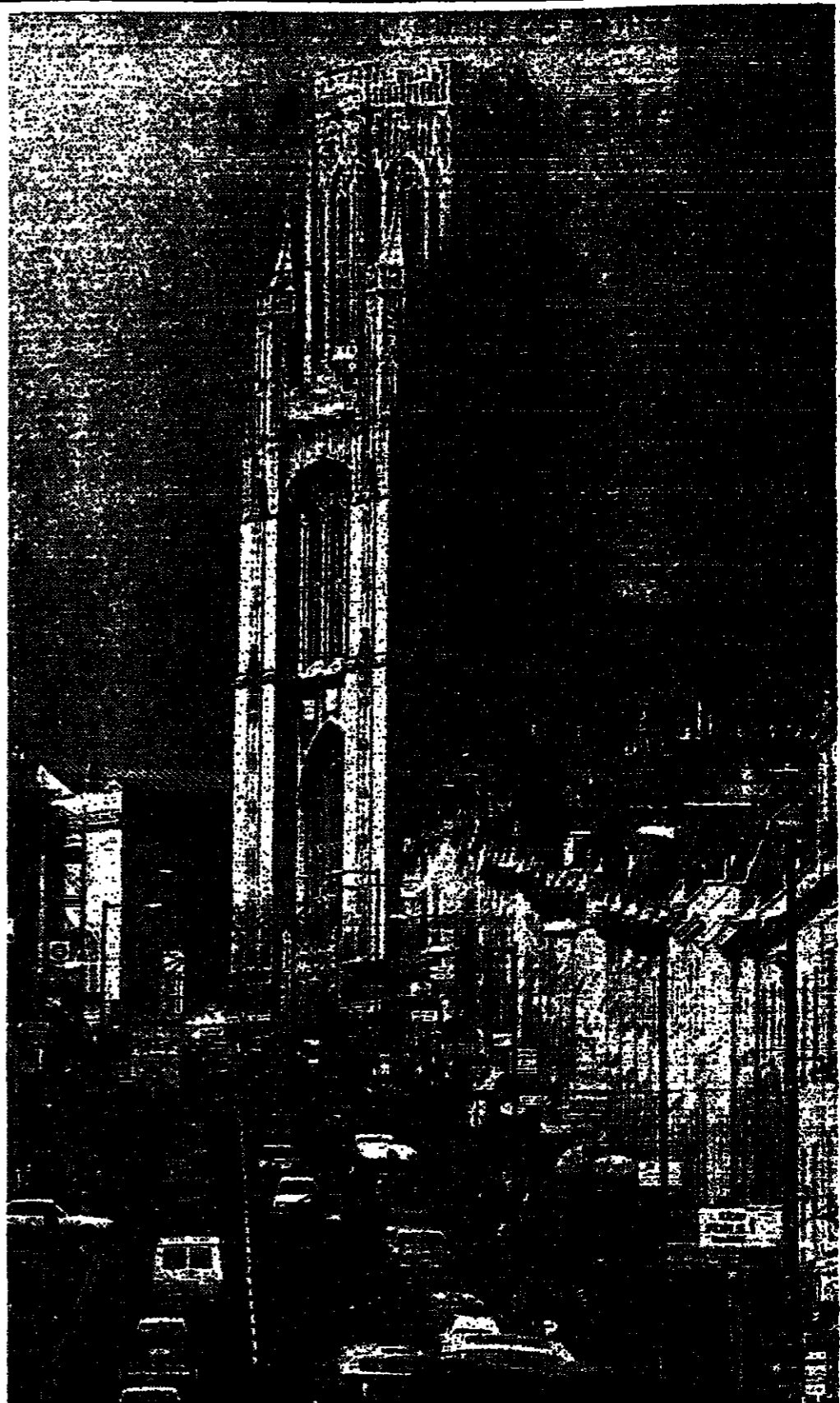
graduate courses in the sector and there are 50 applications for every place.

Mr Mike Rees, dean of the BBS, says: "This year the school has launched a new four-year sandwich honours degree course in financial services with a first intake of 75. From next October it will be offering a new honours degree course in business in science combining the study of science with marketing and finance."

While providing graduates for the national market, Mr Rees adds, the polytechnic "has over 2,000 part-time students which demonstrates our commitment to the needs of the local community. We also have the expertise to assist organisations in meeting their development needs".

Student and post-graduate work at Department of Computer Studies and Mathematics is seen as typical of the polytechnic's ability to reach out into the community. Professor Ken Jukes can record £3m in external funding negotiated this year and at the Bristol Transputer Centre work is underway as part of the £6.8m Eureka European contract to develop a flexible manufacturing robotics cell based on transputer and parallel processing technology.

At the Department of Economics and Social Science Mrs Marion Jackson is successfully editing The Bristol Economic Bulletin, of which the polytechnic publishes 4,500 quarterly for the local business community in association with the Bristol Chamber of Commerce and the Bristol Avon Employer Network - another example of outreach into the community. Mrs Jackson welcomes the increase in consultancy work which the department is undertaking: "It has taken us out of our ivory towers".



The Wills Memorial Tower: symbol of the city's academic life

The council has been slow to fund arts, says Antony Thorncroft

**Signs of an artistic revival**

BRISTOL has all the potential to become a lively centre of the arts. A fairly prosperous city, with an attractive riverside, a romantic past, a popular university, strong artistic roots, and a substantial middle class, it ought to be the equal, if not the superior, of any city of its size in the country.

That it has failed to match the recent artistic achievements of Birmingham, Bradford, or Glasgow is a sad indictment of the city council, which has ignored the contribution the arts can make to reviving cities, acting as a magnet for new businesses and helping the population pride and some excitement.

In recent years the council has been positively stingy: so much so that the Arts Council tried to shake it into action three years ago by cutting its annual grant to the Bristol Old Vic theatre company by £70,000, a play which had only limited success.

The council also lost the chance to gain for Bristol a main orchestra. The Bournemouth Symphony was looking for a new home and for a more secure financial haven. Harvey's of Bristol, the wine com-

pany, was prepared to put up cash if the orchestra adopted its name. The Arts Council was ready to bless the move with a dowry, but the city was unwilling to play its part: it did not like the commercial connotations.

But now there are signs of an artistic revival, with the Arts Council, Bristol City and Avon County showing a greater commitment to the arts.

The councils still concentrate their funding on the community arts area, and are anxious to improve access to the arts among people who have little experience of them, but the centres of excellence are no longer slighted. This month has seen the go-ahead for a £30,000 strategic plan which will plot a multi-million pound investment in the arts into the next millennium.

The Old Vic has traditionally been the keeper of the theatrical tradition in Bristol, with a celebrated drama school and a long record of artistic success. It left the big, lavish, productions to the Hippodrome, which is home to touring West End musicals ("South Pacific" has just finished there), and to

the Welsh National Opera. But a few years ago the Bristol Old Vic hit a lean patch, and fell out of favour with the council. Now it is under new management, with Paul Unwin artistic director and Mark Everett administrator. They have taken some tough financial decisions, notably closing down performances in the Old Vic Studio for this season, but they are attempting to improve the quality and to attract better acting talent to Bristol.

**That it has failed to match the recent artistic achievements of Birmingham, Bradford, or Glasgow is a sad indictment of the city council**

The first fruit of the new confidence was "The Misanthrope", a joint production with the Royal National Theatre and starring Alec McCowen, which was well received when it moved to London's South Bank. This month an old Bristolian, Timothy West, has been tempted to appear in Ibsen's "The Master Builder".

The programming may concentrate on safe classics, with no new plays this season, but

audiences are up by 6 per cent. The Old Vic is also doing more out-reach work and Unwin's community play "A Town in the West Country", which used local city folk by the score to evoke Bristol in wartime, packed the theatre and won council approval.

It is also offering concessionary prices to young people, and other groups with a poor theatre-going tradition.

The two local councils are responding to the theatre's

revival, and have increased subsidy from £180,000 three years ago to £290,000 this year, with the city contributing £225,000. But the Arts Council still provides the bulk of the aid: £428,500.

Next month it delivers an in-depth report on the operation of the Bristol Old Vic. If it is fairly favourable, and signs are that it will be, the local authorities are expected to make a firmer commitment to the theatre.

The visual arts in Bristol are in a healthier state. Alongside the traditional museum and art gallery there is the Arnolfini, an arts centre, with a cinema, and a performing space in the art gallery.

It was the first such centre in the country to transform a derelict dockside warehouse, and in the subsequent 25 years has built a national reputation. It is financed by the Arts Council (£171,000 last year), its income from its popular shop and restaurant, and from commercial and private sponsors. Bristol City Council gives little, but has offered a £50,000 long-term capital loan with no interest for necessary building work.

A typical recent Arnolfini success was a touring exhibition of the work of Gillian Ayres, and on many nights the art show of the moment will be brought to life by a contemporary dance company or drama troupe performing on the premises.

The Arnolfini is the focus for artistic life in Bristol, its restaurant and bar usually packed with stimulating, and stimulating, folk. It works closely with the Watershed, the media centre just across the docks.

They share a programmer for films, who mixes the cinematic popular with the avant-garde. There are also close ties with Artspace Studios, a community of artists based near the city centre, which undertakes workshops

The Wills Memorial Tower: symbol of the city's academic life

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**BRISTOL 5**

**Anthony Moreton looks at the Bristol Development Corporation**

**A road-worthy discussion**



Christopher Thomas (left) and Miles Collinge issued a development warning to Cecil Parkinson, Transport Minister

THE BRISTOL Development Corporation delivered what amounted to an ultimatum when it met Mr Cecil Parkinson, the Secretary of State for Transport, earlier this month. Mr Christopher Thomas, chairman, and Mr Miles Collinge, his chief executive, sat in the minister's Marham Street office and told him that if the corporation was to succeed it needed a spine road built through the area. Without this road the success of the corporation's plans to rejuvenate 900 acres of run-down inner-Bristol would come to nothing. Private-sector money would not be attracted in sufficient amounts to undertake the necessary work. The 240m for the mile-and-a-half of dual-carriageway had to come from the Government, they said, because the corporation's own budget was £15m, spread over its five-year life. "We told him," says Mr Thomas, "that a decision was urgent. We need to know by the end of the year."

To tell a minister he has to make a decision in six or seven weeks is akin to putting a gun to his head and ministers are known not to like that. Government decisions are not made that way. To complicate matters, Mr Parkinson knows that a change in the European Community rules on regional policy towards road schemes has made it a lot less likely towards the funding of new schemes.

"The matter of the roads simply must be sorted out," Mr Thomas says, "because unless we can we will not be able to do what we want to in the area. This part of Bristol is

criss-crossed by roads, railway lines, water and bridges. "There are three main parts to the area - St Anne's, St Philip's and Temple Meads - and none has been developed because of poor access. A spine road would, for instance, take 30 per cent of the traffic away from the junction outside Temple Meads, the main railway station in the city."

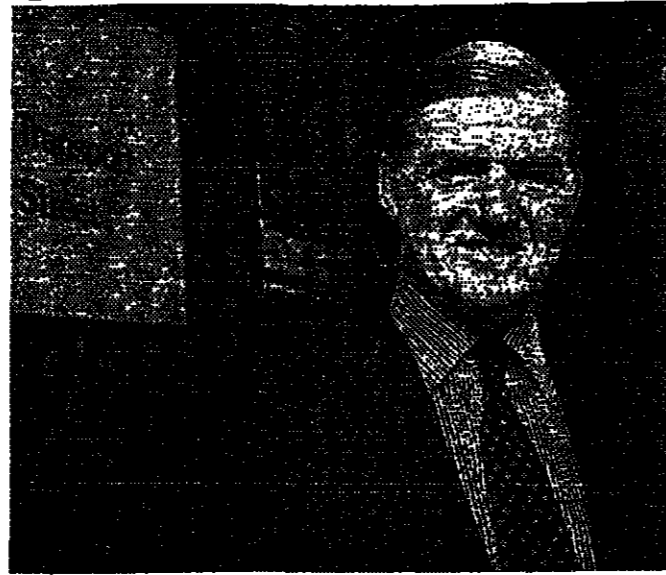
At the same time as he is calling on the Government to fund the roads he is also seeking more money for the work of the corporation itself. As the other two third-stage urban development corporations - central Manchester and Leeds - quickly found, £15m is simply insufficient.

As if these problems were not enough, Mr Thomas has to conduct his negotiations with government knowing that Bristol's city council is sniping at his activities.

Sniping is perhaps an inappropriate description of the council's activities: heavy artillery might be a better choice of words.

Bristol's Labour council bitterly opposed the creation of a nominated quango, seeing it as government trampling over the province of an elected body. It petitioned against the bill setting up the corporation, thereby holding up its creation for some months and has continued to oppose its general strategy.

"The traditional heartland of Bristol industry is under serious threat from the development corporation," the city council's planning and traffic committee has gone on record. "The anti-industry attitude could spell the end of St Philip's Marsh as a key base for



Tony Andrews

industrial jobs," according to Mr Ian Patterson, city planning officer. "The council believes existing jobs and industry should be retained and nurtured and is anxious that the corporation should lift the threat which its current plans seem to pose."

The government is unlikely to pay much attention to this opposition. It set up third-generation urban development corporations precisely because it lacked conviction in the ability of local councils, especially Labour ones, to rejuvenate their areas.

The clash between Bristol Development Corporation and the council is one that Mr Thomas regrets. "We want to bring back development into the centre of Bristol," he says. "We want to maintain the existing manufacturing base. We are not here to wipe out jobs or firms. We will clearly not please everyone but our plan sees the creation of 18,000 new jobs, 11,000 of them directly within the boundary. We certainly don't see the corporation as a big ring fence around the area and believe that what we are doing will benefit the city as a whole."

The creation of jobs and the effect the plans will have on existing businesses is probably best illustrated in St Anne's, once the home of 1,800 jobs in the board mill, now a development site.

"The city wants to concentrate industry within St Anne's; the corporation thinks this impracticable. "We believe it is unsuitable in total as an industrial area," Mr Thomas says, "though we want to see some. We want a community to grow there, an urban vil-

lage, with people living and playing there as well as working."

It is Temple Meads, though, that is perhaps the crux of the difference between the two sides.

If the road is built the corporation believes not just that a notorious bottleneck will be eliminated but also that development potential around the station will be enhanced, and those arriving by rail in the city for the first time will get a favourable impression rather than be confronted with a seedy view.

The increase in development values consequent on change of use is crucial to the success of the corporation. To succeed, Bristol must encourage a quite enormous leverage of the small public funds with the injection of considerable private capital.

"There are high hopes that the government commitment to Bristol Development Corporation will be increased 'substantially', as it has had to be in Leeds and central Manchester. Even if it is doubled there is a huge gap between 230m and the £140-plus cost of the work expected to be undertaken."

It all hinges, in Mr Thomas's opinion, on the road. "If the spine road is not built now I can't see it ever happening. The strategy would then have to be reset at a lower level and a very great opportunity would be lost at Temple Meads."

"There is so much that can be done here, and for such a small infusion of government money. It would be a great shame to miss this opportunity."

**The district of St Paul's is a world apart, reports Stewart Dalby**

**The other side of yuppiedom**

IT TAKES precisely nine minutes to walk from the Holiday Inn to the St Paul's district of Bristol, but they are worlds apart.

The contrast between the well-dressed men and women wielding credit cards and cordless telephones, and the smashed-in cars and prostitutes sitting on stalls on the streets of St Paul's seems total.

The Holiday Inn stands as a symbol of the new Bristol, which has grown up in the past 10 years - the successful, thriving business capital of Britain's south west.

St Paul's is the rundown inner-city area, which, like Toxteth in Liverpool and Brixton in south London, has become synonymous with racial unrest, barely controlled crime, and drug abuse.

According to Mr Joe Williams, Bristol's only black councillor, there was unrest in 1981 and then again in 1988. The district's notoriety, however, stems from rioting in 1987, when the police mounted Operation Delivery.

A small number of police moved into the Black and White Cafe to try to arrest some dealers in soft drugs. They chose their time badly, since it was the middle of the



The Holiday Inn is symbolic of the Bristol which has grown up in the past 10 years



Holiday Inn (top) far removed from the riots in St Paul's

afternoon, and kids were coming home from school. Stone-throwing was the result. Having apparently found only "minimal" amounts of drugs, the police came back again in the early evening complete with reinforcements with riot shields.

This time, there was serious rioting with burnings, smashed-up buildings, lots of beatings, and lots of arrests. No one was killed.

St Paul's has remained tense. What people resent, according to Mr Williams, is the police coming into, say, the pub that he owns, the St Nicholas House in St Nicholas Road, and trying to arrest someone perhaps for stealing a car, but then pushing everyone else around.

Strangers are treated with suspicion, as I can testify from my trip to the pub. When I went in, in the early afternoon, and asked for Mr Williams, a definite hush descended on the half-full pub.

St Paul's, which is a sub-district of Mr Williams' Ashley Ward, and consists of about six

almost certainly higher for young men.

There are few amenities in the area, other than the pub and the cafe. For the young unemployed, there is a lot of hanging around.

Mr Williams maintains that the drugs problem is no worse than in any other residential area of Bristol, but he does say that the police recently told him there was an increase in hard drugs' use, particularly cocaine, in the city.

St Paul's is physically run down. Like other inner city areas, it has derelict empty land in between houses, pushing up grass and used as unofficial rubbish dumps.

These areas, known in development jargon as "infill sites," would long ago have been snapped up probably for offices, had they not been in St Paul's.

In a recent report, "Poverty in Bristol, An Update," St Paul's came top in the five criteria used to define deprivation. These are:

- Total unemployment
- Statutory supervision of children
- Electricity disconnections
- Free school meals
- Housing benefit.

If St Paul's is the worst area,

St Paul's is a rundown inner-city area, synonymous with racial unrest

it is by no means the only part of Bristol to suffer hardship. The outlying estates of Hartcliffe and Withywood show up prominently in all five categories of deprivation.

The underlying point that the report makes is that although Bristol has become a successful service industry city in the 1980s, the cutbacks in local government power and spending, the erosion of the state generally and the unleashing of market forces in areas such as housing and planning has meant that the underclass has proliferated.

The report found that "both poverty and unemployment are worse and more widespread in Bristol than in the early 1980s and much worse than the mid-1970s."

The report will probably be dismissed in some sectors of the Bristol business community as the work of the rabidly left-wing.

But the report does show that Mrs Margaret Thatcher's so-called revolution also has a downside, particularly if you are without.

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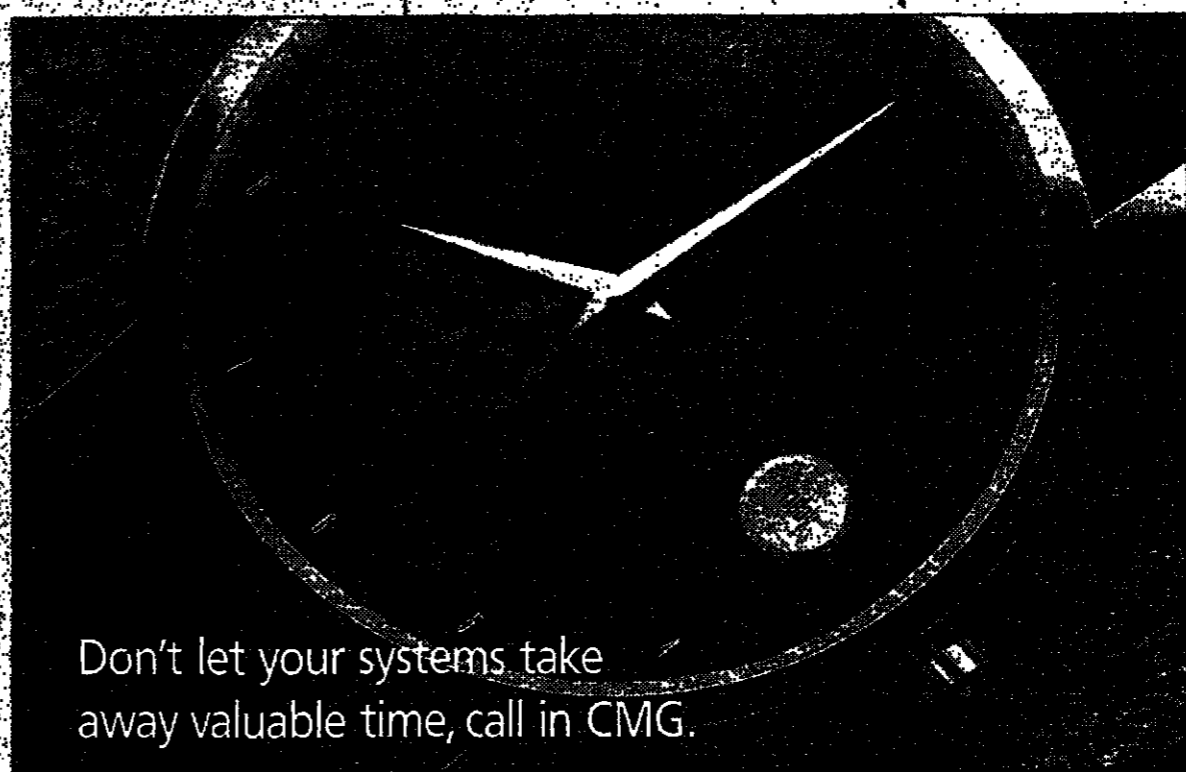
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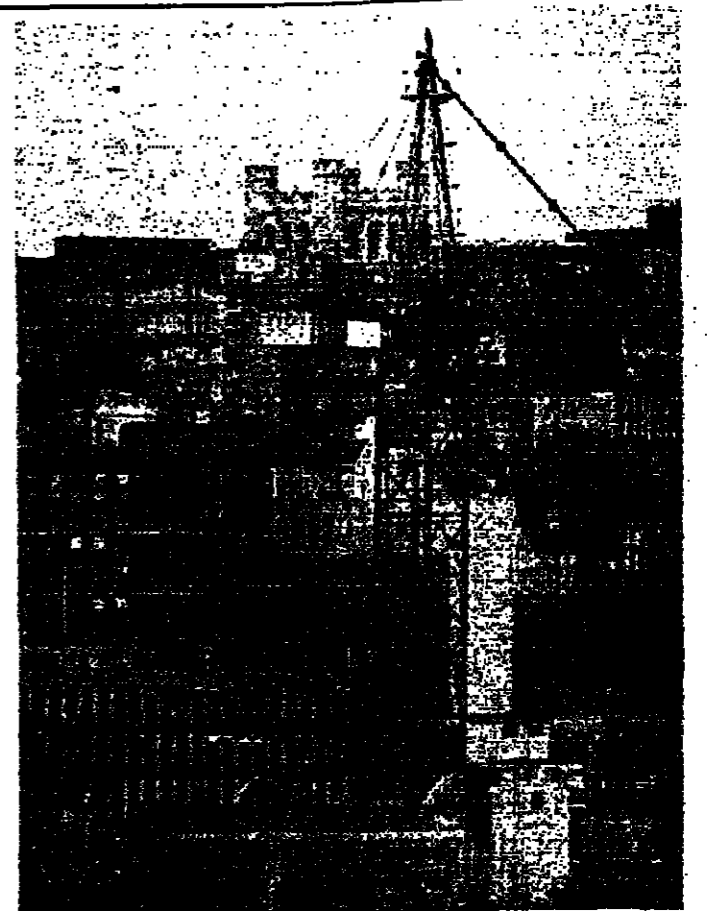
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**BRISTOL 6**



The planners have tried to encourage mixed developments of residential housing, leisure and industry . . . new homes in Bradley, Stoke (left) and office growth in the city centre

The council wants low cost housing; commercial pressures make this difficult, says Stewart Dalby

**Waterfront adds glint to the developer's eye**

THERE WAS a time, not so long ago, when it was possible for managers or lawyers and accountants to sell up in London, follow their company which was moving to Bristol, buy properties similar to the ones they had in London and find themselves with some cash in the bank.

This is no longer the case. While it might still be the case for someone selling up in London's Knightsbridge or Chelsea. But for outer London and less salubrious parts of the capital there is now hardly a differential with Bristol.

There has been a huge influx of service-type companies into the city in the past 10 years. Bristol, built on hills, with a river running through, and some lovely old buildings, is a very nice place in which to live.

Its attractiveness as a centre in which to work has been an important factor in drawing in so many companies.

There has been a great deal of office building and probably not a commensurate amount of residential building. Bristol has a population of more than 400,000 and 150,000 commute in every day.

In Georgian Clifton - the area of Bristol built right up on a hill beyond the university, and above the River Avon - three bedroom houses go for £200,000 and upwards. A two bedroom apartment in a large converted Georgian house would cost at least £100,000 and perhaps £150,000.

Bedminster, the dormitory suburb on the south of the river where the Wills tobacco company built thousands of terraced back-to-back houses in the days when great companies

built "social housing" for their workers, has been partly redeveloped.

It is possible to get small houses for £50,000, or larger three bedroom semi-detached houses for £70,000.

Prices for houses on developments in outlying areas and villages would be roughly similar.

The Left-wing council has been concerned about the profusion of offices in the city centre and at times has tried to arrest the growth.

The position of the city's planning department is that uncontrolled office building strips the city centre of life. It encourages traffic congestion as thousands drive in to work, and means that what industry is left in Bristol is priced out of the town.

The city's planners have tried to encourage mixed developments of housing, leisure and industry.

For various reasons the council has only been partially successful in getting balanced development. In housing very few low cost units have been built in the city centre.

Bristol is influenced by the fact it has a river. In the 1980s any town in Britain which has water frontage brings a glint to the developer's eye. There are usually derelict warehouses to convert into flats and offices and unused land to be snapped up.

Almost inevitably, developments along the River Avon have been what developers refer to as quality housing, and the Left-wing councillors call yuppie housing.

Some of the complexes at Broad Quay, Baltic Wharf and Merchants Wharf are, indeed,

very attractive. But the housing units are hardly cheap. A house, or a penthouse property, would sell at the same rate as Clifton properties - namely £250,000. A flat would cost £100,000.

Very little is happening in this market at the moment because the steep rise in interest rates has left the so-called yuppie/quality housing, there is an underlying shortage of this kind of housing and prices seem unlikely to drop.

to the corporation says: "One developer says they are going to throw in 300 social housing units in a certain development. These might have joint ownership between the occupier and the council. But we are not sanguine they will keep the promise."

Meanwhile, Bristol has a growing underclass problem. Not only is there a shortage of yuppie/quality housing, there is also a dire shortage of low cost housing. The council now has 12,500 on its waiting list.

The planning department says uncontrolled office building strips the city centre of life, encourages traffic congestion and means that industry is priced out of the town

As one developer put it: "Look, given the price of land on these kind of sites you can't build anything, not even a one-bedroom flat, for less than £50,000. It is no use the council pretending you can have low cost housing along the river. The sums just do not add up."

The council is now fretful that a lot more yuppie/quality housing is going to be put up in the newly-designated Bristol Development Corporation area. The council has no jurisdiction over planning in this 1,000 acre area for the five years of the corporation's life.

Mr George Micklewright, chairman of the city council's housing committee, referring

of low cost housing. In the past it has had to be built by the public sector. The private sector, including housing associations, just will not or cannot build it."

Just as the residential sector has trailed behind office building, Bristol has fallen a little behind in retailing. Whereas virtually every other main town or city in Britain has its multi-storey shopping centre with adequate car parking, Bristol has got the 1950s Broadmead centre. This frankly unattractive complex never managed to pull in quality shops.

Anyone wanting to visit Habitat or Next or bookshops would have to go up the hill to Queen's Road. In effect this meant there was no one-stop shopping.

Attempts to extend or improve Broadmead were hampered by the fact that the Avon County Council deals with five district councils. North Avon was very keen to build an out-of-town shopping centre at Cribbs Causeway on land owned by the Prudential with Marks and Spencer as the head department store.

Bristol, on the other hand, wanted to build the Galleries, as an extension and enlargement of Broadmead.

In the event, Bristol won. Cribbs Causeway is on ice; the Galleries, a multi-storey structure on land owned by the Norwich Union, is going ahead.

The Galleries, which abuts directly on to Broadmead, comprises 325,000 sq ft of shopping and parking space on a 5.5 acre

site. The development, which should open early in 1991, will have cost £110m.

There will be four department stores and 112 other units. Among companies and organisations which have taken units are Laura Ashley, Boots, W. H. Smith, Reject Shop and the Post Office.

In addition, units are under offer to retailers including Zales, Sears, Leading Edge and Intersport.

Most important, in heavily-congested Bristol, there will be parking for 1,300 cars.

What happens next is intriguing.

Developers in the city want to concentrate on the Badger Centre which is a stone's throw from the Galleries. At the moment this is a bus depot but it has the potential to be another 320,000 sq ft shopping complex with parking for 1,000 cars.

It could in theory link up directly with the Galleries. This would involve pulling down the Avon County Council building, a high-rise which few people seem to like. It would also entail building a tunnel or walkway from one complex to the other. This should not be impossible.

However, a public inquiry into Cribbs Causeway is due to reopen soon.

It may eventually be decided that Bristol has enough inner city shopping and that some out-of-town sites might be desirable. Either way the city seems destined to catch up with other British towns of similar size.

Bristol has some fine buildings but room for growth is limited

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**BRISTOL 7**

Observers are divided about the health of the city's economy. Jim Kelly weighs the pros and cons

# Commercial doubts in a tale of two cities

THE STORY of manufacturing industry in Bristol is a tale of two cities. It is a dichotomy of viewpoint well illustrated by the first edition of the Bristol Economic Bulletin, published by the Bristol Polytechnic for the local business community. It carried the bold headline "Booming Bristol". But that was not the whole story, for the economists were minded to add a question mark.

Why the addition? Bristol's manufacturing image is, surely, one of considerable buoyancy. A seaport awaiting 1992, a prospective Channel tunnel railhead, the nation's new "motorway port", the self-proclaimed "Blue Chip City", and the heartland of the UK aerospace sector, are just a few of the varieties of success on offer.

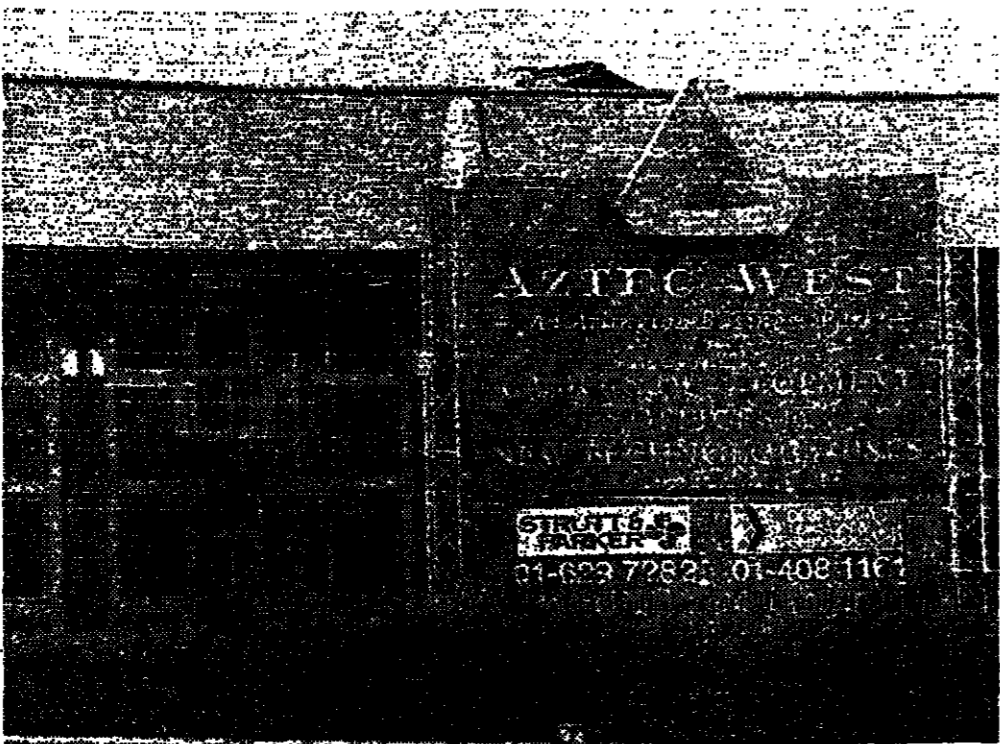
Add to these the environmental benefits which are sure to prove attractive to the modern executives of the footloose industries and the great aerospace complex at Filton, where Rolls-Royce and BAE produce the biggest concentration of jobs in the sector in the UK.

Within the city the Bristol Development Corporation is planning £700m-worth of development pledged to providing a "robust heart" of new manufacturing industry, new factories for solid businesses, "under-the-arches" squalor replaced by new enterprises.

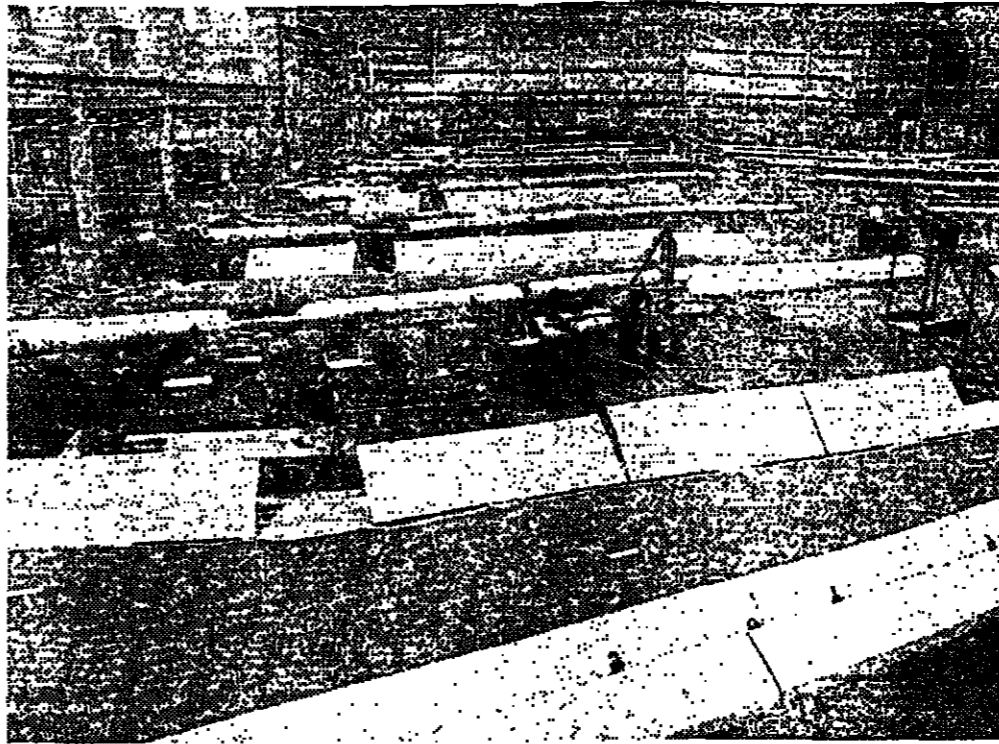
But there is an alternative view. The components of this view of Bristol are quiet different. Here we see the city facing west, across the Atlantic, its mercantile tradition severed and its industries poorly placed to connect with the golden triangle of Paris, Bonn, and Milan, while its narrow labour market is being mopped up by the service sector.

Here we see the traditional industries which flourished as part of the triangular slave trade with Africa and the New World; such as tobacco, food and drink, and paper packing, struggling to find new markets and new products. Meanwhile the manufacturing heart of the region, aerospace, depends on Ministry of Defence contracts which are increasingly open to competition, undermined by the outbreak of peace in Europe, having been only briefly invigorated by the Falklands war.

In the city centre there are fears, widely expressed and strongly denied, that the development corporation will create a ghetto of waterfront pubs and designer offices whose high rents will drive out the old manufacturing businesses of the St Phillips district.



Bristol as a high technology magnet: Aztec Estate (left) said to lack cutting edge technology. The core of the manufacturing base: wing construction for the Airbus at Filton (right)



Tony Andrews

Perhaps there is a third view which sees the next decade as the crucial test of Bristol's ability to adapt: 10 years in which the optimistic view can triumph over the harsh realities of the city's fragile manufacturing base.

**The next decade may test Bristol's ability to adapt: 10 years in which the optimistic view can triumph over the harsh realities of the city's fragile manufacturing base**

ble nature of the manufacturing sector. In 1971 one in three jobs in Bristol was in manufacturing; in 1986 it was less than one in four. In 1986 there were 63,700 people working in manufacturing in the area; 19,000 of them in aerospace; out of a total workforce of 281,000. The fall in manufacturing jobs between 1971 and 1986 is estimated at 35 per cent.

Mr Keith Bassett, of Bristol University's geography department, co-author of a study called Sunbelt City, believes the city's success is half an illusion: "It is not a universal

success - it has achieved a kind of polarised success."

He sees the city's popular image as a high-technology magnet to be founded on the move to the region of Hewlett-Packard, the company founded by the partners who started the technological revolution in

California 40 years ago. But, Mr Bassett maintains that hi-tech developments such as the Aztec West estate off the M5 lack cutting-edge technology and that the majority are either branch plants or servicing and assembly operations.

Mr Bassett would maintain that excluding aerospace related hi-tech companies reduces Bristol's strength in the sector below the national average and points out that academic estimates in the sector are always below those made by the city council. He also queries role of Bristol's

ports, at Avonmouth and Royal Portbury Dock and points out that besides the developments of Fisons, RTZ, and ICI the wave of dock-related development has failed to appear.

"A lot depends on what happens in the national economy, I can't see any revival in the base if present policies continue," he says of the future.

Mrs Susan Marshfield, Executive Manager Representation and Administration, at the Bristol Chamber of Commerce, says simply: "The city is very top heavy in services, to the detriment of the area."

She feels that the development corporation will be under pressure to extract maximum planning gain during redevelopment and that will mean a heavy emphasis on housing and offices. And she is worried about the "very, very, heavy dependence on the defence industry", any decline in which would produce a "tremendous knock-on effect."

She depicts a north-south divide in the city, a mirror image of the national picture, with the second generation long-term unemployed isolated to the south away from the

expanding hi-tech fringe to the north. With a tightening labour market and a mismatch in skills she sees substantial progress only in the arrival of mass production industry.

But for Du Pont, the international electronics industry supplier, Bristol's hi-technology image is a reality.

The company is about to develop a site at Filton, opposite the Polytechnic, and close to Hewlett-Packard. Robert Jennings, site manager for Du Pont in Bristol, says: "Du Pont sales to the electronics industry have increased from about \$1bn in 1984 to \$1.5bn in 1988 - well on the way to the forecast \$3bn by the mid 1990s. The new Filton plant will play a key role in this continued expansion."

"Bristol was chosen because it is close to many of Du Pont's electronics customers, because it has a good supply of skilled labour, is served by good transportation to the rest of the UK and because it is an attractive environment for electronics engineers and other key workers."

Mr Jennings is clear that the new factory will provide a

"cutting edge" to Du Pont's development and that it is part of a policy to move research and development closer to the customer.

Close to Royal Portbury Docks is Ashton Corrugated, part of the Olor Group of France. It is another example of real progress; this time in a traditional manufacturing

**There are fears that the development corporation will create a ghetto of waterfront pubs and designer offices whose high rents will drive out the old manufacturing businesses**

industry revitalised by investment and new products.

Ashton, part of the Imperial Tobacco group for many years, has had six owners in six years and has struggled for survival. It was originally part of the paper industry which grew up to provide packaging for products such as cigarettes, now it provides packaging for cigarettes exported to the Third World.

Deserting an old factory which was nearly as old as the century it has a new plant out

of the city, has a 3 per cent share in the £16m corrugated paper market, and has begun taking its raw materials in through the docks from Scandinavia and France.

Reorganisation and investment have produced a 33 per cent increase in production in two months and Mr Ken Harvey, managing director, who

files to Paris for board meetings once a month, says Bristol's excellent transport links ensures the competitiveness of a "lean" business.

Mr Colin Truss of the City of Bristol's Economic Development Office is sure that the city, having "pinched" Hewlett-Packard from its government-ordained location in an assisted area, can continue to draw big investment from abroad.

An £8,000 feasibility study is now underway into Bristol's

application as the UK's Inter Modal Clearance Depot for the Channel tunnel, in competition with Liverpool and Leeds.

But in the Bristol Development Corporation he sees a "conflict" between the corporation's limited life and the need to care for Bristol's long-term development as a manufacturing centre. He fears for the future of those companies which may be required to move within the corporation's area.

In 1988 he sees a great opportunity for Bristol as companies from outside the EC try to beat the deadline in case trade barriers are introduced to protect the single European market. The Bristol Euro-Info Centre, opened this month by the Chamber of Commerce, is the front counter for the perceived new market.

Mr Miles Collinge, chief executive of the Bristol Development Corporation, says that the establishment of new manufacturing industry in the 900 acre corporation zone is a high priority. Manufacturing, he insists, will flourish as part of an integrated community and an improved environment and that those who criticise this approach suffer from myopia.

He says the corporation is interested in high valued-added businesses, in sectors such as hi-tech, media, and medical supplies, and also in the reduction of pollution. With six kilometres of waterfront property, the area will boast a diversification of land use: "It will be a city within a city," says Mr Collinge.

And at the core of Bristol's manufacturing base, at Filton where Rolls-Royce and BAE produce hardware for the military sector and carry out research and development, both companies are certain they can diversify and survive in the 1990s.

This is against a background of a revolution in MoD procurement which has seen non-competitive tendering decline from 62 per cent of the total in 1983/4 to 47 per cent 1988/7.

A spokesman for Rolls-Royce confirmed the company's determination to be more competitive and its interest in overseas markets and new products: "We have not got all our eggs in one basket."

Meanwhile at British Aerospace, while employment in the military hardware sector has fallen, the commercial aircraft subsidiary is in good health. Expansion in the Airbus programme is expected to bring growth which will see an increase in the 5,200 employees in the division.

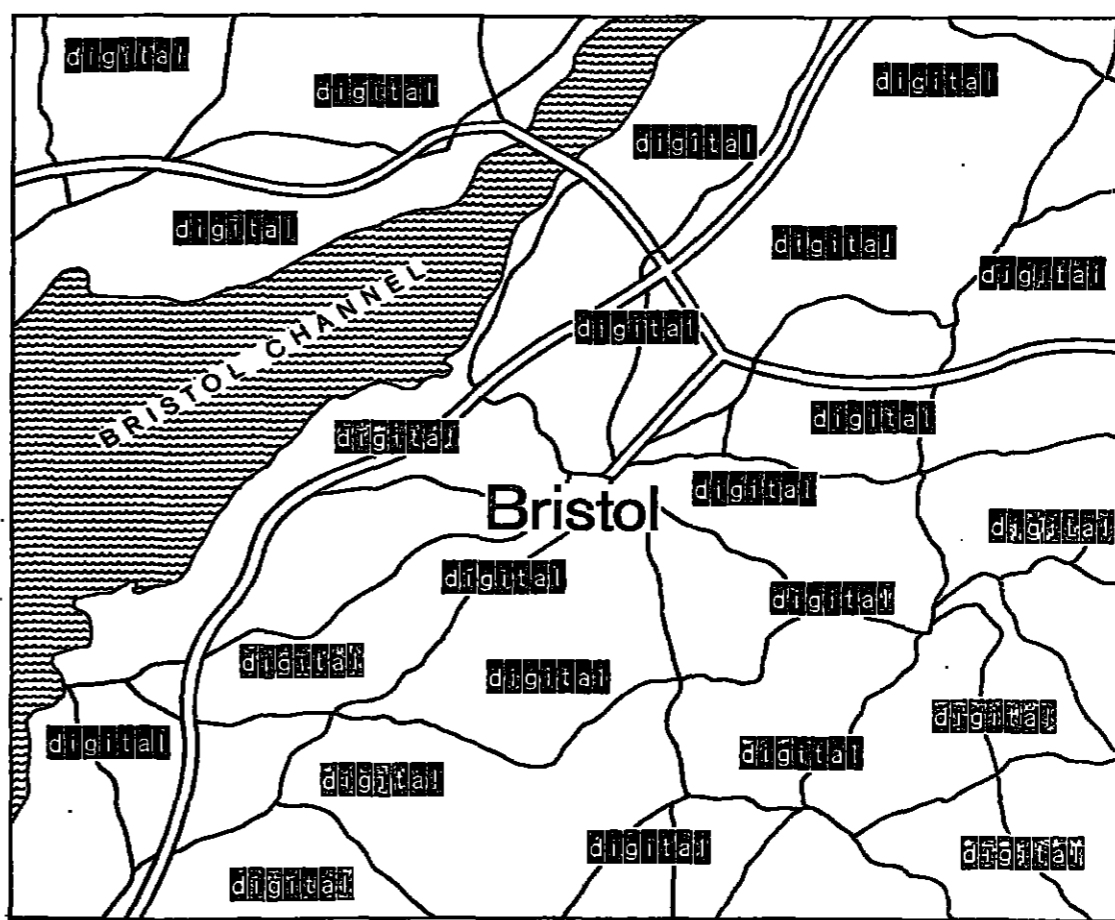
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**BRISTOL 8**

**Norman Bruckland samples retailing initiatives and strategies**

**Shopping for more variety**



The city centre: council projects aim to open up, revive and bring greater variety to the area

AFTER YEARS of uncertainty, important decisions for shopping in Bristol are likely to be taken.

Mr Chris Patten, Secretary of State for the Environment, recently made material changes to the county structure plan for retailing. Now a five-week public inquiry is examining an application to add a large regional shopping centre to the warehouse park and hypermarket at Cribbs Causeway, close to the M4/M5 interchange.

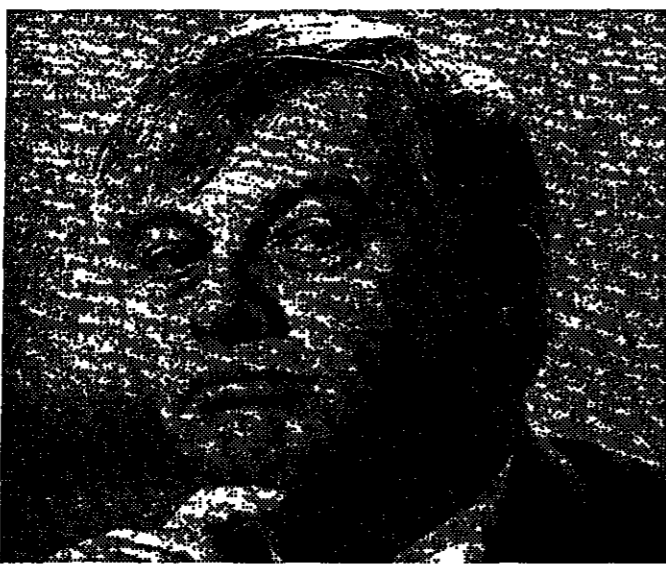
Only five miles away, in the city centre, Queen's Road and Park Street survive, much changed, from the 1930s. The 1m sq ft of post-war Broadmead, now beset by the traffic flows of the 1980s, houses many of the national multiples, selling mostly to customers who live in Bristol. The city council wants to open up, revive and bring greater variety to the area. Earlier this year, it published its latest proposals.

Ladbroke, with Norwich Union, are now reconstructing a quarter of Broadmead to re-open in 1990 as The Galleries.

The council's "Broadmead Initiative" adds three specific projects for an early start. These would raise the total trading space by half, include greatly improved transport and pedestrian access and give virtually direct entry from the M32 for the population of north Avon and south Gloucestershire. The standards of covered, climate-controlled comfort, quality and style now being set by The Galleries would be followed. This expansion would, in turn, allow reconstruction and revival of the remaining area, each stage being dependent on the one before.

Success for the Broadmead Initiative depends not only on developers and planning policies but on the commitment of retailers to the city centre for an expansion of what the trade calls comparison shopping - where choice, cost, taste and technical performance, are especially important to the customer.

These are also precisely the characteristics of successful out-of-town regional shopping developments: enclosed, accessible, comprehensive,



Patten: changed the county structure plan for retailing

with choice and competition from both multiples and independents, large and small. Both geography and road communications make Avon appropriate for such a centre. Cribbs Causeway and other sites have been identified. The unresolved question is whether the market is big enough to support both city and regional development. And, if not, which should prevail?

A review of the county structure plan has revealed marked differences of opinion (often reflecting their particular interests) among the local authorities, the retailer representatives and the developers. Notably, the county, the one authority with responsibility for the whole area, has supported the city's wish to discourage a regional centre. The city fears that it would divert up to 30 per cent of capital commitment and custom from Broadmead, putting at serious risk the next three development steps and all that is to follow from them.

Yet a Department of Environment policy guideline has stressed the importance of enlivening inner cities and enabling town centres to compete effectively with other retail developments. For their part, the out-of-

town interests have claimed that it is unduly restrictive to prevent new development because of options which are by no means certain or close to commitment.

Mr Patten, accepting the concerns of both sides, has required a careful balance to be struck in a positive definition of firm and clear criteria for acceptable regional scale shopping proposals. He has amended the structure plan accordingly and it now says that a regional shopping development will normally be permitted if, along with any other, it will not seriously affect the vitality and viability of the centre of Bristol, or of Bath, or of Weston-super-Mare. Access by both public and private transport and the absence of unacceptable vehicular or pedestrian traffic conditions are required.

How will the parties react? Most traders and their advisers are for the present reluctant to take a public stance. Marks and Spencer, confidently, is both prominent in Broadmead and committed out of town.

The councils will need to reconsider their position. County and city saw the future of the city centre as being of far greater social and economic

significance than the evolution of retailing alternatives. They are being asked to adopt a balanced approach.

The district councils of Northavon and Kingswood, both supporters and possible beneficiaries of alternative development, must acknowledge the express protection of town centre interests which Mr Patten has introduced to the amended policy. All authorities will no doubt reconsider the best interests of the public in the light of that redefinition.

Nobody - landowners, developers, operators or customers is likely to gain from still further delay and uncertainty.

Perhaps the worst outcome would be a long, costly and hypothetical debate on what would represent a serious threat to a town centre.

The out-of-town lobby has always argued that the market can sustain both projects. It could demonstrate its confidence by encouraging a whole-hearted initial commitment from retailers to the Broadmead Initiative, the city in its turn responded by accepting the timely addition of regional facilities for a still growing population.

Evolution, not conflict, may be the answer, especially if the main obstacle to a successful regional shopping application could be its impact on the more fragile future of Weston-super-Mare as a resort and retirement centre, rather than on the robust communities of Bath and Bristol; and especially since the outcome is likely to affect much more than shopping choice.

For example, shopping strength is but one vital part of the overall plans for Bristol's city centre.

It may be the keystone but there is a need to strengthen the general appeal and convenience of the city to the tourist and to the office working population. There is a need to create a place where the recreational life of the city can flourish and to foster its use, in a complementary way, for working, tourism, leisure and shopping for over twelve hours a day. This is the wider context of the Broadmead Initiative.

**TOURISM**

**Choking on its popularity**



Tourists flock to attractions such as King Street (left) but help cause congestion: traffic on the Severn Bridge (right)



BRISTOL IS in two minds about tourism.

The left-wing city council is wary of promoting tourism as a business because it feels that the net income more travellers would contribute to the city's economy would not necessarily be worth the problems caused by the added congestion and overcrowding.

Unusually, therefore, for a large, attractive, British town with a rich history Bristol does not have, a tourism strategy. In conjunction with the English Tourist Board signs have been put up in the city pointing out the landmarks.

The question of extra visitor traffic has been touched on in the leisure section of the "Bristol City Centre - draft local plan". There is some talk that the English Tourist Board and Bristol City Council who between them draw up an action plan similar to those drafted for other heritage towns like Norwich. But at present there is no overall grand design.

This is mainly because Bristol has large numbers of visitors already. During the week the hotels are crammed with businessmen and women. In the past decade Bristol has become a white collar city with service companies setting up and expanding in the town. The roads structure inadequate. Once the Galleries shopping centre opens in 1991 there will be one stop shopping around the central Broadmead area in a way that has not been possible to date.

Does the council really want to encourage another group of visitors such as conventional tourists, who would put an added strain on the city services but not necessarily add greatly to its economy?

There could be some gain in

jobs created but the big hotels are already finding it difficult to attract and keep good staff in a tight labour market.

The last time the council looked at the figures was in 1985. Then, it estimated there were 1.26m staying visitors and 1.4m day trippers. Well over 16 per cent of the staying visitors were businessmen and women.

It was reckoned that the gross input to the local economy was between \$26m to \$31m. The net amount retained in Bristol was put at between \$22m to \$23m. It is these figures which rankle with the council. Being of a left-wing persuasion the city council is inclined to look at tourism as a form of multinationalism or

ingly lots for him or her to do. As Mr Stone puts it: "Bristol is still a very attractive city. It is virtually self promoting."

At the heart of the city is the cathedral. It was founded as an Augustinian abbey in 1142 but refounded at the Dissolution of the Monasteries in 1542. Walking up Queen's Road at the city centre there is the university and lots of quality bookshops.

Bristol was a thriving business city in the 14th century, 300 years before the Industrial Revolution and lots of distinguished buildings bear testimony to this. Corn Street, however, described as the grandest street in Bristol owes its elegance to 18th and 19th century commerce with lots of ornate

enlarge Bristol's harbour and is now lined with 19th and 20th century commercial buildings, many of them, including the Watershed, have been converted to leisure uses.

From the Arncliffe Gallery, a well-known contemporary arts centre, housed in a sea warehouse of 1832 you can cross the floating harbour on a turntable bridge to Prince's Wharf. Here are the National Lifeboat Museum and the Bristol Industrial Museum.

Bristol has one of the best provincial theatres in the country, the Bristol Old Vic has a national reputation.

Apart from the attractions of the city itself, it is an obvious stopping off place for what surrounds it. Bath, probably the best preserved Georgian city in Europe is easily accessible. So too is the lovely cathedral town of Wells in Somerset. There is Cheddar Gorge and Wookey Hole an impressive chain of caves cut out of dolomite conglomerate rock.

Further afield along the M4 is the Welsh hinterland and to the south, down the M5, is all of Devon and Cornwall to explore. Bristol sits at the confluence of these two motorways. More tourists to Bristol in the 1990's seem inevitable.

Stewart Dalby

**Bristol has become congested because thousands commute to the offices which have been built in the past decade**

branch factory activity. It might create a few jobs but the vast percentage of the money goes to companies HQ in Tokyo, New York or London.

In spite of these reservations the council has embarked on drawing up a strategy. Mr Ian Stone, an assistant to the chief executive at the city hall has been put in charge of the project.

"What we are doing for the moment is trying to assess more accurately just what tourism does for the city. How many jobs it creates. How much money is spent. Above all, just what is the net contribution to the economy."

"We have to weigh this against the cost of more congestion. The cost of clearing up the litter on Mondays if we get tourists flooding the city at weekends like Bath. We have to ensure that Bristol remains a pleasant place for the residents," he says.

Although it is early days in terms of council assessment, it seems likely that more tourists particularly those coming for weekends will be encouraged. The big hotels which are empty at the weekends would love to have more business to help cash flow.

Bristol really is a natural for tourism as there is lots for the visitor to look at and increas-

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**BRISTOL 9**

Anthony Moreton examines the changing role of a provincial stock exchange

# The popular face of capitalism

**HANGING ON** the wall in the downstairs room of the Bristol stock exchange, now used for meetings and lunches rather than for any dealing, is a fine portrait of Benjamin Spry Stock, president of the exchange in 1886, seven years before the Edwardian building was opened.

The name Stock is still to be found in the world of stockbroking in Bristol: Stock Beech is perhaps the leading broker in the city, certainly the only market maker among the seven operating today.

Old Benjamin Spry Stock, even in the last days of Victoria, was a venerable figure. He would hardly recognise either his firm or the market in Bristol today.

Stock Beech has become part of the British and Commonwealth financial services group and now occupies a floor of the all-glass, all-technology Spectrum building where the screens dominate everything.

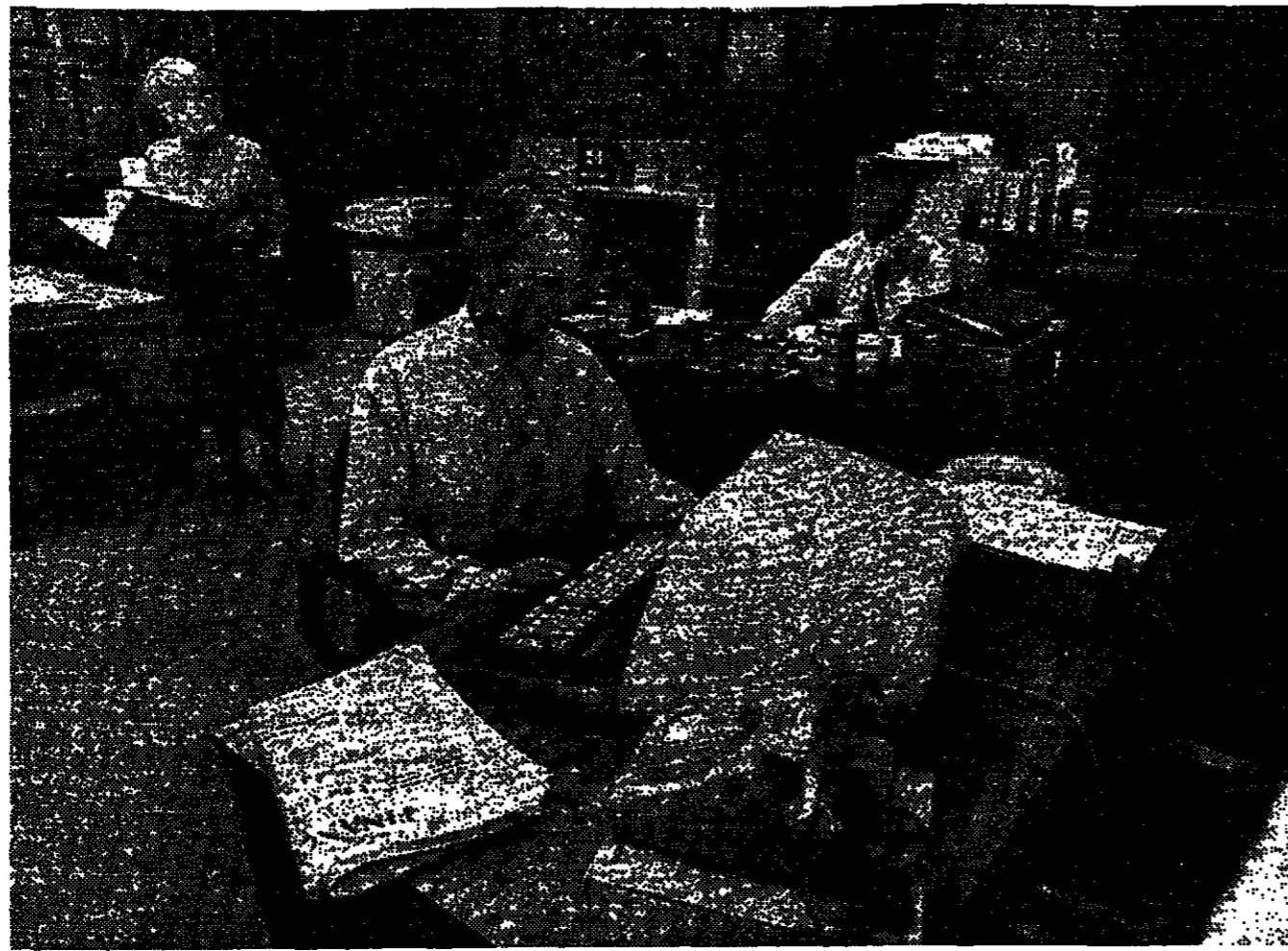
He would hardly recognise the exchange. The dark paneling remains as do the pictures of the exchange's outing to the Bristol Tramway company. But the elegant dealing floor is now an administrative office and the emphasis, according to Mr Peter Barrow, the manager, is more on its educational and information functions.

The modern face of stockbroking in the city is perhaps best seen in the big Debenhams store in Broadmead. There, on the fourth floor, next to the restaurant and behind the furniture is Debenhams Investment Services' ShareCentre.

Here, the shopper or investor can see the screens, get the latest share price, seek advice or buy and sell. There are no doors to go through, no complexities. This is capitalism with a popular face, and it is "doing very well", according to Debenhams.

The Bristol ShareCentre, opened in August 1987, is one of two in the country. Debenhams, part of the Bristol group, is a member of the stock exchange and decided two years ago to indulge in a little popular capitalism. It put one ShareCentre into its Oxford Street flagship branch in London and the other in Bristol.

Bristol has an active stockbroking community even if the exchange itself has more of a representational than functional role. It has seven broking firms now that both Laing & Cruickshank and Dartington have pulled out. Laing & Cruickshank and Dartington were not active players, however. The Laing had an office just inside the front door of the Bristol and



The dark paneling in the exchange remains but the elegant dealing floor is now an administrative office

West Building Society's building, but, unlike Debenhams, it was not really looking for a cross-pavement clientele. It was seeking the more sophisticated investor, someone with a portfolio or wanting to build one, rather than those into a privatisation stock for the first time.

The community is dominated by four firms: Stock Beech; Allied Provincial (perhaps better known in Bristol as Laws); Brown Shipley Stockbroking, which used to be Heseltine Moss; and the National Investment Group (previously Hillman Catford Board). The smaller players are Avon Stockbroking and Greg Middleton.

The loss of independence among the big firms, a reflection of what happened nationally after Big Bang in 1987 rather than simply a Bristol phenomenon, may have led to a diminution of some of their activities.

All the back office work of the National Investment Group, for instance, is handled in Cardiff. But it has also

enabled them to cope with changed conditions more easily. "Our brokers certainly get a quicker payment from the system," he says. That, of course, is a settlement system based on paper. When Taurus is introduced - sometime next year, it is hoped - clients will

receive a quarterly or half-yearly statement of their dealings rather like a bank statement.

The exchange will then be freed from part of its administrative work and be able to spend more time on its educational and informative roles.

As in London and other broking centres around the country Bristol has suffered this year.

There is, according to Mr Barrow, an air of wait and see. "We picked up well after Big Bang, two years ago, but the political and economic situation at the moment is exercising a considerable restraint on investors in the city."

Another advantage that Bristol has, according to Mr Bar-

row, is that deals can be handled faster and payment consequently made more quickly.

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The firms were busy until May or June of this year but since then there has been a turn down in the level of activity and few of them expect any big change of direction before the new year.

This is not a particularly affluent time for Bristol, but it is only reflecting a change that has taken place in broking activity in the country as a whole. Business is much more centralised and with the coming of advanced technology there is no need for a dealing floor.

Bristol's life as a dealing centre ended, as with most of the other provincial centres, in the mid-1960s when it became part of the Midlands and Western group. Even then it was in effect only an inter-broking centre, that is with no stock jobbers.

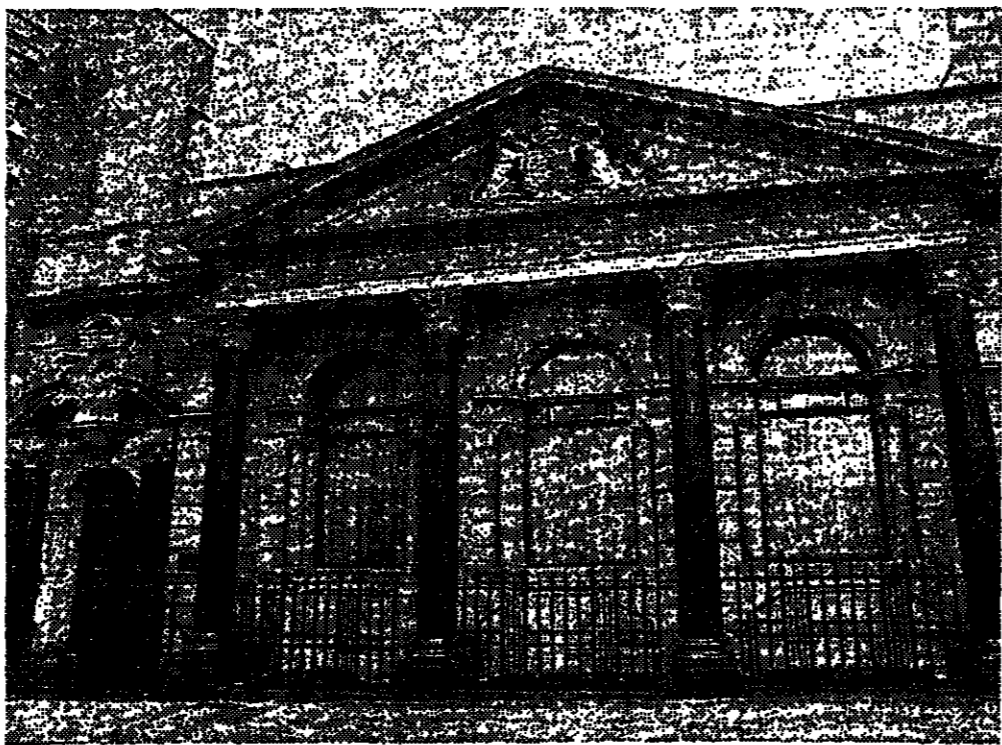
What, one wonders, would old Benjamin Spry Stock have made of all these changes? It's a long way from both the society and the broking community he worked and lived in to today's environment.

Debenhams' ShareCentre may still be the exception among outlets, but if American experience is anything to go by it is probably the shape of the future.

## Bristol has an active stockbroking community with seven broking firms even though the exchange itself has more of a representational than functional role

This has been to the benefit of cities such as Bristol, which can still offer the individual service that the smaller investor both likes and has come to expect. Bristol, too, can offer much cheaper dealing charges than almost anyone in London. At Debenhams' ShareCentre, for instance, the cost is £22 for each individual operation (many small investors fondly believe they can buy or sell, say, four shares for £22 only to find their bill is £28). Even so, this is under half the going rate in London, which is now at least £50.

Another advantage that Bristol has, according to Mr Bar-



Bristol stock exchange: emphasis on educational functions

## INDUSTRIAL PROPERTY

# Demand continues

**DEMAND FOR** office accommodation and industrial space in and around Bristol shows no sign of abating in spite of several years of very strong growth which have seen office rents triple.

Bristol has become a white collar society in recent years with lots of service companies relocating to the city. This has not been especially because the local authorities offered incentives to banks, insurance companies and the like to move to Bristol to fill the jobs shed by industry.

In the 1960s when companies started to move out of London because it was becoming too expensive, Bristol was an obvious magnet for two types of companies, the service ones and distribution concerns. Rents were cheap, communications with London excellent, and Bristol was a very attractive city in which to live and work.

Arguably, Bristol is now a less pleasant place to work in than the appalling traffic congestion, but the companies have never stopped arriving. Lloyd's bank is building a new headquarters which will create over 1,000 jobs many of them locally.

In spite of the city being more or less fully developed, the demand for office space continues. It comes not just from newcomers.

"The fact is, that demand for business space continues very definitely to be occupier led," says Mr Bob Durie, a partner in J P Sturge, a leading agent and property manager.

Mr Durie estimates there are enquiries from both local and national companies amounting to over 2m sq ft of office space. The vacant stock of offices is less than 100,000 sq ft in the city centre. But there is 1.4m sq ft of business space being constructed out of town. Rents in the city centre are pushing £20 a sq ft for new space and £14 a sq ft for refurbished situations.

Mr St John Hartnell, the Senior Partner at Hartnell, Taylor Cooke, another leading agent estimates that the take-up of office space has been over 500,000 sq ft a year for the past three years. There seems little doubt that new office space under construction will be snapped up. Over half of the 1.4m sq ft being constructed out of town will be pre-let before completion.

One consequence of using out of town for offices means it is being denied to the industrial and warehouse user. The supply of land for regional warehousing has virtually dried up. This has meant rents have been pushed up to between 24 and 32 a sq ft.

There are number of business parks being developed around Avonmouth and south Bristol, but these often have B1 designation. This means, strictly speaking, light industry, but in practice they can be used as offices.

The emphasis on developing offices is not difficult to understand. Land for industry usually changes hands at £200,000 an acre, whereas land for B1 or office type developments can fetch £750,000. The difference in rents is considerable, so developers naturally go for office projects.

In theory there should be enough land for to meet indus-



Durie: enquiries for more than 2m sq ft of office space

trial demand as well. A paper drawn up for the county authorities identified 1,436 hectares which could be used for industrial purposes in Avon. Of this 557 was in Bristol. However, for one reason or another to do with infrastructure, drainage and access only 130 hectares in the entire county will be available by the mid-1990s.

The city centre, with the notable exception of Canons Marsh, a 15, 18 or 19 acre site

Arguably, Bristol is now less pleasant to work in with the traffic congestion

on the River Avon depending on who you talk to, is now very short of space indeed. The local authorities and the various owners have been haggling for 10 years on how this prime site should be developed.

The city council, which is left wing, although no longer hard left has been concerned not only about Canons Marsh, but by the headlong development of offices at the expense of housing and industry.

The Council has at various times tried to impose limits on office building, and encourage more mixed developments. Usually, this has been to no avail. Developers have gone over the heads of the council and appealed to the Department of the Environment. Often these appeals have been successful.

One of the consequences of the barely controlled bias towards offices has meant hopeless day-time traffic con-

gestion. Some 150,000 people now commute into Bristol each day, many of them one to a car. The infrastructure will not stand this kind of influx and there simply are not enough parking facilities.

Bristol is beginning to develop London-type problems of unlettered private sector office development taking precedence over proper, planned public sector spending on roads, rail, parking and pollution.

True, office rents are still cheaper than London, but at £20 a sq ft they are catching up fast.

Then there is the question of rates. Next year there is the rates revaluation. At present many business rates are based on 1973 valuations. This is to be updated to values as of April 1988. Although, existing tenants will have a phasing in period of several years, tenants taking on premises after April next year could face a doubling of their rates bill overnight.

The cost factors could encourage companies to move out of Bristol or not move into Bristol for the same reasons that they moved out of London.

There is no sign of this happening in the next couple of years, but thereafter the city could start to mature, as they say, as a service economy.

One straw in the wind is the recent decision by Clerical and Medical and General to extend its regional headquarters by developing the former Hales Cakes factory at Clevedon, on the south-west side of Bristol. Mr Durie feels this kind of exodus could become a trend.

Stewart Dalby

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**BRISTOL 10**

A light railway system is planned, Anthony Moreton investigates

**The return of the tramways**

THE SECOND stage in the plan to bring a tramway system, more properly a light railway, onto the streets of Bristol takes a step forward with the presentation of two private bills in Parliament on November 27.

These Bills will, when they have completed their parliamentary course and been given royal assent, allow Advanced Transport for Avon to construct two lines. One is through the heart of the city and the other will link the centre to the two northern outlying districts of Bradley Stoke and Yate.

The first line, the bill for which passed all its parliamentary stages last May, allows construction of a line from Portishead into the centre at Wapping Road (coincidentally ending opposite the Financial Times office in the city). Work is expected to begin on this line next year and the first trams should be running by the end of 1992.

Bristol is not alone in seeking to bring trams back to British cities though it is among the front runners. Manchester certainly has the lead since the government announced in October that the government would meet half the £110m capital cost.

Sheffield is also awaiting a decision on a government grant and west Midlands (essentially Birmingham), Southampton and Leeds are well advanced with their plans. Among others considering bringing back the tram are

Cardiff, Dundee, Exeter, Glasgow, Nottingham, Plymouth and Reading.

The process of introducing a bill to Parliament is costly and slow. It is seemingly designed to strangle rather than encourage what many people see as an essential piece of infrastructure investment if British cities are not to seize up through the weight of vehicles pouring through them.

The process is not dissimilar to the way in which railways were built in Britain in the last century. They had to be fought inch-by-inch through a land-owning dominated Commons and Lords with the result that Britain had the most expensive railways in the world.

It costs about £1m to get a bill through Parliament. For a body that will not have much money until the line is developed, this is a large amount. The funding of the first bill and finance for the next two has essentially come from the pockets of the directors of Advanced Transport for Avon whose chairman is Mr Richard Cottrell, the MEP for the area. Some of the developers have also put up money.

What ATA would like is a commitment from the Government, of a capital contribution, as Manchester has had. As a private company it needs to keep the momentum going in order to secure the necessary backing from the private sector.

Developers are more likely to come in to the project the more they see something actu-

ally being laid on the ground. The signs are that Bristol will get something from the Government. The city most neatly fits the Conservative philosophy of a privately-led initiative. Many of the others are public-sector led and it would suit the Ministry of Transport to be able to point to the efficacy of the private sector.

ATA has been encouraged by Whitehall to seek a Section 56 grant from the local authority and the Department of Transport, which Manchester has just received.

It appears that Bristol is being used as something of a stalking horse for government policies. Before the Government will come up with any funding the applicant has to demonstrate non-user benefit. This means that aid will only be given if it can be shown that those who do not use the tram system will benefit from it. In other words, it needs to be shown that traffic congestion will be relieved. That is not difficult to assert but extraordinarily difficult to quantify.

A Section 56 grant has to be matched by an equal contribution from the local authority and here there are problems since ATA is a private body.

One method being privately canvassed is for the Government to underpin any contribution Avon County Council might make.

In order to succeed, ATA must show the developers that things are moving. The local authorities by contrast want to play the scheme along. Rather

than a piecemeal approach: sponsoring a bill; building a line then moving on to another bill; another line. The councils want to develop a strategy to look at the whole scheme and discuss how it fits into traffic and transport patterns.

This inevitably slows the project down and reduces the momentum that a private body such as ATA needs to raise private-sector interest and capital. As part paymasters the local authorities can call some of the tunes. Their involvement, after a negative beginning, is welcomed within ATA.

The scheme will stand or fall in Bristol on its ability to generate funds from the private sector and be financially self-sufficient. To ensure financial rectitude the ATA has looked at the scheme from the back inwards.

Most public infrastructure projects get into trouble, according to ATA's Mr Jean Peurose, through over-borrowing and the consequent rescheduling of loans.

"ATA started by seeing what was the maximum figure that could be funded by revenue. We discovered it was 10 per cent. So we had to find 90 per cent of the capital cost of the project," he said.

"Our philosophy was that property near railway stations was worth more than than from it and so we had to find a way of turning that potential into capital. Our aim is to share the increase in capital value with the owner and/



National Lifeboat museum: the site for the terminal of the main tram system

Tony Andrews

or the developer. We want to co-operate with people who own the land."

The line of the route therefore becomes crucial to its success. It has to follow, to a large extent, a course where finance will be maximised. "It is no good going down a street if there is no potential development value in it," Mr Peurose emphasises. In consequence,

the routes in Bristol has been subject to change as it has developed.

That philosophy is probably less important in the city centre, where there is ample development potential, than in the outlying suburbs.

To get a sensible route ATA has opened talks with British Rail to acquire the Avonmouth Seven Beach line and if suc-

cessful will electrify it, putting in new stations.

Long term, it would like to talk to BR about a complementary service on the main lines from Weston-super-Mare and Bath into Bristol.

For Bristol the wheel has now turned full circle. Most of our cities' transport systems were privately funded and it looks as though the next generation

will also have a significant private input.

Some 200 cities around the world, from Grenoble in France to Geneva in Switzerland, from Sacramento in California to Hong Kong, have opted for light railways.

The tram is coming back and Bristol looks as though it will be among the first in Britain to welcome it.

Anthony Moreton on moves to bring prosperity back to the docks

**Still life on the west coast**

ON SEPTEMBER 14 the Atlantic Superior slipped through the lock gates into Bristol's Royal Portbury dock before unloading its cargo of 35,000 tonnes of rock gypsum from Spain.

The shipment was the first destined for Redland Plasterboard's £28m production plant alongside the quay.

The cargo and the investment are symptomatic of the new air of confidence that permeates the Port of Bristol Authority.

A little more than half a dozen years ago the port faced a bleak future, saddled with heavy and mounting debts, declining trade and mounting financial losses.

Today, Mr Nasim Ahmad, port director, offers an encouragingly bright view of the future. "We have developed a strategy for the port, and the last two years have shown it is the right one."

"Bristol can still be reckoned a major port and a profitable one. Recent investment decisions have brought new life to the port and the appearance of decay and dereliction have gone, he says."

The gaunt, grey granary that stands right behind Mr

Ahmad's office at Avonmouth is concrete evidence that not all the decay has been removed and the director is realistic enough to accept that Bristol will never again recover the sort of glory that made it one of the leading ports of the world.

The westward trade in wine, tobacco, paper and general foodstuffs that founded the fortunes of the Merchant Venturers has disappeared as the main thrust of Britain's trade

**The air of depression has gone: the volume of trade is rising and the port is back in the black for the first time in a decade**

has moved eastward, towards continental Europe.

However, the air of depression has gone: the volume of trade is rising and the port is back in the black for the first time in a decade.

"Bristol has turned the corner," Mr Ahmad says, "and there are two years of sustained movement to prove it."

The change has been brought about by improved service, new investment in modern facilities, new work practices and the encourage-

ment of private capital in the largest municipally-owned docks in the country.

The effect of the decline of the traditional trades was exacerbated by the building of Royal Portbury.

The complex was conceived in the early 1950s but successive schemes foundered against the opposition of government. Eventually, a much-reduced scheme at a much-reduced cost of £28m was accepted in 1970 and opened

seven years later. Portbury turned into a millstone. It opened as British trade ebbed away from west coast ports. The port went into the red and the dock's building costs became a financial nightmare. Bristol found itself with an accumulated debt of £48m, with capitalised interest charges.

The docks were saved by the council amortising the debt through property sales elsewhere in the city and by the port authority developing a

new strategy. Outside consultants were called in some three to four years ago and their report put into practice two years later.

"The corporate plan of action we adopted led to the downward trend being arrested," Mr Ahmad says. "As with the new investment drawn in from the private sector our share of the market began to turn up. By 1988/9 we were back to break-even in terms of port operations and into profit financially for the first time for 10 years."

The core of the strategy was for the port authority to improve the infrastructure through capital spending on lock gates, transit sheds, mobile equipment and general quayside facilities and to encourage active private-sector investment, especially in dedicated facilities for customers' own use to handle bulk cargoes.

The arrival of the Atlantic Superior last month proves the correctness of the strategy.

Redland spent £20m on a 30-acre site allowing the cargo to be discharged directly from the ship via an overhead conveyor into the plant.

At the plant the gypsum will be processed into plasterboard and other building materials. Redland is expected to unload some 350,000 tonnes of cargo a year directly into its works.

Other investments have taken the spending in the docks to over £50m. BP has just built a £15m liquid petroleum gas terminal on the north side of the Avon at Avonmouth to handle supplies from the Wytch Farm inland field in Dorset.

This terminal will receive its supplies by rail and is expected to handle about 180,000 tonnes a year, up to half of which will be exported.

Nearby, Castle Cement has opened a £8.5m terminal to handle its supplies from Sweden and the Bird Group brought on stream earlier this year a £5m investment to handle bulk scrap.

The company, based across the Severn in Chepstow, demands one of the old granaries to bring in its high-tech



Ahmad: investments have brought new life to the port . . . the decay and dereliction have gone

Tony Andrews

facilities.

"These are all bringing in new life into the docks," Mr Ahmad says. "It is a different scene today. The appearance of decay and dereliction has gone and a new air of resurgence is apparent. When all these schemes are fully operational they will add about 750,000 tonnes a year to our throughput."

Can this new drive, offset the geographical fact that Bristol is in the wrong place? Many outside observers claim west coast ports now have little future as our trade increasingly looks eastward.

Mr Ahmad denies Bristol is in the wrong place. "We have identified cargoes we can attract and our situa-

tion is not necessarily a handicap. We are looking to attract bulk cargoes, especially forest products, of which there has been a significant increase in the past three years, and cars and vans, where we are now second only to Southampton.

"Ports no longer simply load and unload goods. If a port is to expand it has to have land for developing operations. We have that. We are generously endowed with greenfield sites to handle bulk items."

The cars parked near the docks, the latest of which are Protons from Malaysia, indicate the success of this policy. "There is also a belief that the Channel tunnel will be to the benefit of Bristol."

Mr Ahmad believes the tun-

nel could reverse some of the shift away from the west coast. He believes the west could win some of the trade trans-shipped at Rotterdam or Antwerp which would then be brought by rail into Britain for onward handling.

Bristol would be ideally situated with its land and good communications - it is the

only port that has direct access onto the motorway network - to take advantage of this situation.

With the ending of the national dock labour scheme - Bristol was the sixth largest of the 61 scheme ports in terms of workers employed - and good labour relations the future indeed looks bright.

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"We have identified cargoes we can attract and our situation is not necessarily a handicap. We are looking to attract bulk cargoes, especially forest products, of which there has been a significant increase in the past three years, and cars and vans, where we are now second only to Southampton."

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# How sales and marketing stand in pay stakes

By Michael Dixon

AFTER decades of work, researchers in America have established a historical fact. It is that Abraham Lincoln did not say (anywhere on record, at least):

"You can fool all the people some of the time, and some of the people all the time, but you can not fool all the people all of the time."

Hence the Jobs column is leaping into the gap with a proposal for an alternative version which is surely no less true without being so arrogant. It goes: "You can please some of the people all the time, but not all the people any of the time."

For example, four weeks ago I gave indicators of the going-rates of pay at seven levels of seniority for three different types of specialists across British industry and commerce as a whole. The specialists were finance, personnel and engineering.

The exercise certainly pleased some people, because half a dozen representatives of the said assortment have been in touch and said so. But for every one such call, I have had half a dozen from other specialists asking why didn't I do the same for them. The answer is that I had no relevant figures - or none adequately comparable, at any rate. The indicators came from the surveys made,

Rank	Specialism	Lower quartile		Median		Upper quartile		Average		% paid bonus, as % of commission etc.	% with company car	% with free petrol	% with 5-plus weeks holiday
		Basic salary reward £	Total money reward £	Basic salary reward £	Total money reward £	Basic salary reward £	Total money reward £	Basic salary reward £	Total money reward £				
Director	Finance	37,200	38,918	45,552	50,140	62,000	67,000	53,179	58,383	54.8	14.8	91.4	63.8
	Sales & mktg	35,000	39,200	45,000	48,800	57,500	62,001	44,492	53,942	56.1	11.8	100.0	61.4
Function head	Finance	26,500	28,350	32,000	35,036	40,150	45,000	34,496	38,118	70.3	12.9	100.0	40.0
	Sales & mktg	27,000	28,382	33,000	34,800	40,000	43,000	35,063	36,838	48.7	9.1	86.9	38.9
Head of dept.	Finance	23,650	25,002	28,000	30,000	32,450	35,050	28,112	31,250	69.9	10.6	94.4	37.7
	Sales & mktg	24,083	25,000	28,979	29,903	34,000	35,445	29,619	30,988	49.2	8.3	82.3	25.3
Section manager	Finance	22,000	22,102	26,000	26,800	30,800	32,000	26,846	27,671	50.2	6.9	89.7	15.6
	Sales & mktg	19,900	19,988	22,812	24,500	26,000	29,054	22,706	25,083	62.2	16.3	84.1	31.9
Team leader	Finance	18,909	19,216	22,500	23,349	26,800	26,985	22,557	23,406	61.5	6.5	44.7	8.4
	Sales & mktg	16,500	16,115	19,200	20,710	22,191	23,840	19,646	21,475	68.2	14.2	73.7	21.5
Senior staff	Finance	16,918	17,000	19,435	19,743	22,672	23,457	19,886	20,454	40.1	6.1	19.1	2.6
	Sales & mktg	14,916	16,212	16,617	18,477	18,138	20,208	17,288	20,250	72.1	19.8	78.5	23.1
Staff	Finance	11,750	12,732	13,285	14,620	15,097	16,367	13,741	15,761	56.7	20.8	63.1	24.9
	Sales & mktg	12,501	12,880	14,850	15,182	17,180	17,709	15,173	16,520	38.1	5.3	7.4	1.3

always in line with the same standard benchmarks, by the Remuneration Economics consultancy. And finance, personnel and engineering were the only specialisms it had recently studied.

Fortunately, today brings hope of pleasing some few more of the people because the consultancy has just produced a parallel study of sales and marketing. Dated as at September 1, it covers 3,475 staff in 88 varied companies all over Britain.

A summary of its results, together with comparisons from the survey of specialists in finance, is given in the

table above. But my figures are merely a tiny sample of the full findings obtainable, at a price, from Peter Stevens of Remuneration Economics at 51 Portland Rd, Kingston Upon Thames, Surrey KT1 2SH; tel 01-549 8726.

The ranks descend from director to "staff" as typified by sales representatives with at least two years experience. In each case the table shows not only basic salary, but total rewards received in cash including commission, bonuses and the like.

The lower quartile figures refer to the person a quarter way up from the foot of a pay

league of all in the same work and rank, the medians to the person mid-way, and the upper quartiles to the one a quarter way down from the top. Then we have the averages (or, in strict terms, the arithmetic means.)

Next come, respectively, the percentages who were paid bonuses or commission and how much of their total money rewards such payments represented, followed by the percentages receiving a company car, free fuel for its private use, five weeks or more annual holiday.

As may be seen, measured by the average total cash

rewards, the lowest and two upper ranks of sales and marketing staff were higher paid than their equivalents in finance. What cannot be seen is that, by the same yardstick, all ranks in both specialisms were better off than their counterparts in personnel and engineering.

### Puller-in

NOW to some jobs, starting with the good news. A top-notch executive-recruiter is sought by headhunter John Courtis to join another headhunting consultancy which he may not name. He

therefore promises to honour applicants' requests not to be identified to the employer at this stage.

The consultancy, based in London, has strong internal research and other support services. Candidates must be demonstrably successful not only in finding and selecting high-grade staff for a variety of employers, but at selling the services of the outfit they themselves work for.

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### Easers-out

THE OTHER news is that Jim Elson of the Pauline Hyde and Associates outplacement consultancy seeks two experienced counsellors to join his team in London.

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This is an excellent opportunity for a career-orientated individual to further develop expertise as a specialist in offshore trust and companies. Applicants should have at least 3 to 5 years experience in trust administration and be making steady progress in the examinations of the Chartered Institute of Bankers (Trustee Diploma) or a similar qualification.

### Corporate Secretary

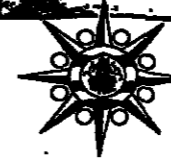
The Corporate Secretary will be responsible for all aspects of company administration including maintenance and preparation of statutory records, minutes, production of standardized reports, and special research projects as required.

To qualify, you should have a Chartered Secretary designation or equivalent experience in company secretary administration.

The Bank of Bermuda is Bermuda's largest bank with assets of \$5 billion. Its Head Office is linked by an advanced communications network with overseas offices in New York, London, Hong Kong, Luxembourg, Cayman and the Channel Islands. The Bank employs over 1600 staff worldwide of whom 1200 are in Bermuda.

A competitive tax free salary and comprehensive benefits package is provided. Applicants are invited to send a detailed resume by mail or telex, or alternatively call: Miss Linda Johns, The Bank of Bermuda, Representative Office, 2 Broadgate, London EC2M7ED, Tel. (01) 256-4000, Fax (01) 588-8434. If your spouse will be seeking employment in Bermuda, please include his/her resume.

Interviews will be conducted in mid December.



THE BANK OF BERMUDA

## Jonathan Wren Executive

### CORPORATE BANKING ACCOUNT OFFICERS £35,000 + Benefits

Major international bank requires, for its London operation, at least three high quality corporate bankers. Candidates must currently be focusing on the middle/major UK corporates with proven ability to develop existing portfolio and win new business.

Candidates must be assertive self-starters with personality and drive to convert opportunities into profitable business. You will also have very strong credit skills. If you have knowledge of one or more of the following product areas please apply: Mainstream Corporate Banking; Off-Balance Sheet Products; LBOs; MBOs; Property; AGRI-Business.

For further information apply to Ron Bradley or  
Norma Given on 01-623 1266.

LONDON HONG KONG MIDDLE EAST SINGAPORE SYDNEY

## Jonathan Wren

Recruitment Consultants  
No. 1 New Street, (off Bishopsgate), London EC2M 4TP  
Telephone: 01-623 1266 Fax: 01-626 5258

## CORPORATE BANKING AND TRADE FINANCE

A major Spanish bank is seeking an Account Manager to join its U.K. business development team based in the City.

The position calls for an individual who is able to demonstrate at least 8 years successful experience in a banking environment which has involved him/her in a high level of marketing to medium sized corporates and trading companies preferably both in the United Kingdom and some overseas markets.

The applicant will require to be a well-trained commercial banker with sound credit assessment skills, a good knowledge of traditional financing mechanisms as well as treasury and forex products.

Ideally, the candidate will be in the 35 to 40 year age bracket and knowledge of Spanish will be an advantage. The position will command salary and allowances of some £40,000.00 plus usual fringe benefits.

Write Box A1408, Financial Times,  
One Southwark Bridge, London SE1 9HL

## VENTURE CAPITAL LONDON & SCOTLAND

An opening has arisen for a Senior Development Capital Executive to be based in London or possibly Scotland. Aged 30-40, with 4 to 8 years directly relevant experience.

Telephone in strictest confidence:  
Ian Winton,  
ASA International Ltd  
Recruitment Consultants,  
107-111 Fleet Street,  
London EC2C  
01 388 1244.



Appointments  
advertising  
appears every  
Monday,  
Wednesday and  
Thursday

## Copenhagen HandelsBank London Branch

We are looking for two credit analysts to work in a small credit section which liaises closely with Marketing Offices but reports independently to the Credit Committee. The successful candidate for the senior position will probably have four or more years' experience and be able to evaluate a wide range of credits, including large and small industrial and financial companies. The candidate for the other position may have less experience, but should also be very proficient. Candidates will, of course, be familiar with computer based spreading and financial projection techniques.

An attractive remuneration package is offered commensurate with your experience and skills.

Applications in writing, with CV, to The Personnel Manager, Copenhagen Handelsbank A/S, 18 Cannon Street, London EC4M 6GB.

## SENIOR DIRECTOR MERGERS & ACQUISITIONS

London

Package in excess of £200,000

Our client is a leading International Investment Banking House. They currently seek a rapid expansion of their M&A function in London through the appointment of two Senior Directors and at least three Assistant Directors.

The opportunity represented by the senior positions is demonstrated by the package:

- very substantial base salary in the region of £100K;
- equity participation in the main group;
- equity participation in certain deals transacted;
- carried interest.

Suitable applicants for the more senior roles are unlikely to have less than 5 years M&A experience; for the less senior, 3 years.

Most important is a pro-active, entrepreneurial approach to business as evidenced by a track record of deal origination.

All applications will be treated in the strictest confidence.

Please contact or write to Anthony Justin or Neil Hutchison who are advisors on this appointment.



ACUMEN  
ASSOCIATES LTD.

Acumen Associates specialise in Corporate Finance & Accountancy Appointments  
18 HANOVER STREET, MAYFAIR, LONDON W1K 9HC. TEL: 01-287 0747. FAX: 01-287 5630

## NIPPON KANGYO KAKUMARU (EUROPE) LIMITED

We are a powerful international financial institution with our head office in Tokyo and our European business spearhead from our long-established City base.

We currently seek to supplement our sales staff with the services of:

**EUROBOND MULTICURRENCY, SALESPERSON**, with proven European sales experience and the ability to function profitably within our expanding team. Preferred aged mid to late 20's. European languages an advantage.

**JAPANESE EQUITY SALESPERSON**, with at least 2 years mainly UK selling experience. Preferred aged mid 20's.

Interested applicants are invited to write to Neil Dewhurst, Nippon Kangyo Kakumaru (Europe) Limited, 18 Finsbury Circus, London EC2M 7AT.

## Prime U.S. Investment Bank Young Economist

Salary c.£30,000 p.a. + Banking Benefits

One of the most prestigious and innovative global financial institutions has an immediate requirement for a young, ambitious economist.

This is an exciting opportunity to join a well-established international economics team. Prime responsibility will be for running the model of the UK economy and contributing to relevant publications, in support of both internal operating departments and external clients. There will be subsidiary responsibilities covering other major economies.

Candidates should be aged early to late twenties, with a minimum two years post-graduate experience as an economist. They will display a high degree of numeracy and literacy, strong interpersonal skills and a real ambition to succeed.

In return, applicants can expect top class facilities, a dynamic work environment and a generous remuneration package, which includes all the normal banking benefits.

Interested candidates should contact Andrew Stewart on 01-248 3653 or write, sending a detailed CV to the address below or use our confidential fax line on 01-248 2814. All applications will be treated in the strictest confidence.

76, Wading Street, London EC4M 9BJ



Tel: 01-248 3653

ASSOCIATES

CONSULTANTS IN RECRUITMENT

## Assistant Company Secretary

... key role for a proactive young professional in the field of investment and fund management.

London : £ Competitive plus Financial Services Benefits

Reporting to the Company Secretary, you will ensure that the requirements of the Companies' Act, Financial Services Act and Stock Exchange regulations are met. Other areas of accountability will include compliance with regulatory authorities, Board Meetings and employee benefits. You are a newly qualified Chartered Secretary with several years' company secretarial experience, ideally gained in the Financial Services sector. Flexibility, professionalism and the ability to

succeed in a demanding environment are critical. Salary will be dependent upon experience. In addition, a full range of financial services benefits will be provided. Please write - in confidence - with full career details, current salary and a daytime telephone number quoting the reference FT 21258 to Miss Lynne J A Stevens at MSL International (UK) Ltd, 32 Aybrook Street, London W1M 3JL.

**MSL International**

## Corporate Finance Executive

Entrepreneurship in mergers and acquisitions  
c.£35,000 + car + banking benefits  
City of London

As part of its global expansion strategy, a renowned and successful French banking group is opening an office in the City to undertake corporate finance business. The Managing Director is already on site and is currently recruiting his executives.

A corporate financier is required to undertake a wide range of challenging tasks including the construction and execution of small to medium sized M & A deals, investigating possible new clients, and liaison with the Takeover Panel and other regulatory bodies.

The ideal candidate will have the following attributes: at least 5 years' experience of the City, with at least 2 years in corporate finance; experience of leading small, non-hostile deals in the UK and across borders; knowledge of the food, retailing or consumer products sectors. Candidates must have fluency in French and a professional legal or accounting qualification, ideally ACA.

For the professional with entrepreneurial flair, this position represents an outstanding opportunity to draw on your banking experience and create

a department in your own image. As we intend to show CVs to our client, please list in a covering letter any organisations to whom your papers should not be disclosed.

Any individuals requiring further information should write to or telephone Miles Holford quoting ref. F/0022 at the address below:  
**Executive Selection Division  
Price Waterhouse  
Management Consultants  
No. 1 London Bridge  
London SE1 9QL  
Tel: 01-334 5193.**

**Price Waterhouse**

## IMRO Senior Compliance Officers

IMRO is one of five SROs recognised by the Securities and Investments Board with responsibility for the regulation of investment management in the UK. Included within the IMRO Compliance Department's activities are:-  
\* Regular inspections of IMRO members to ensure that investors are adequately protected  
\* Carrying out special investigations where there is investor risk concern  
\* Regular contacts with Members  
\* Projects related to the development of Conduct of Business Rules.  
There is currently a requirement for a number of high calibre professionals to join the existing team.

Candidates will be:-  
\* Graduates, probably with an accountancy qualification  
\* With first-class interpersonal skills  
\* With knowledge of financial services  
\* Keen to enhance their career in a high profile role, working in a fast moving professional environment.  
Prospects with IMRO are excellent as is the remuneration package which includes an excellent base salary and mortgage subsidy.  
Interested candidates should contact Karin Clarke on 01-831 2000 or write to her at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

**Michael Page City**  
International Recruitment Consultants  
London Paris Amsterdam Brussels Sydney

## Shepherd Little & Associates Ltd Banking Recruitment Consultants

**ASSISTANT MANAGER**  
£20,000-£30,000 + benefits

Our client, a large and growing international investment bank seeks an ambitious graduate aged 25-35 to assist in the negotiation and marketing of Eurobond and other Capital Market products. Ideally you will have had 2 years' experience covering marketing and execution of deals. Excellent prospects for career advancement. Please contact Janet Smith.

**SENIOR ECONOMIST**  
to £40,000 + car

Our client, a prestigious American bank, wishes to appoint an economist who will assess trends in the US economy and make comparisons with other countries to provide client support services to the Eurobond team. As an economics graduate you will have in-depth knowledge of the US economy and be highly motivated with strong communication skills. Attractive range of fringe benefits. Please contact Brenda Shepherd.

**RISK ANALYSIS**  
£35,000 +

This is a senior position with one of the world's leading international banks. They are seeking an experienced credit/risk analyst who is probably an ACA or has been trained professionally within an American bank. The job will entail assessing risk and exposure in complex financial deals, advising on compliance and profitability, and establishing a high profile and professional role for the credit department within the expanding London branch. Please contact Susan Pope.

**CAPITAL MARKETS  
TRANSACTION MANAGEMENT**  
to £45,000 + car

This major investment bank is a market leader with a substantial volume of international business. Products include Eurobonds, Equity derivative warrants, syndicated loans and private placements. A vacancy exists for a legally qualified specialist with 2 years experience of capital market transactions preferably with a merchant banking background. The key responsibilities include pre-emptive structuring, documentation and the ability to work closely with internal and external parties to each mandate. The successful candidate will receive an excellent benefits package including performance related bonus. Please contact Brenda Shepherd.

**FRENCH SPEAKING  
DEALERS/TRADERS**

As a result of restructuring, the London dealing room of a well known European name is seeking two dealers at a senior level. Apart from being confident of your skills in either foreign exchange or money markets it is essential that you are fluent in French. There is a generous salary and benefits package on offer to those who feel that they can fit into, and influence, a small team at a senior level by contributing further to its growth and success. Please contact David Little.

Ridgway House 41/42 King William Street London EC4R 9EN  
Telephone 01-626 1161

### HEAD OF CORPORATE FINANCE

£ neg

Our client, a public quoted investment group providing a range of investment services for private and corporate clients, wishes to appoint a Head of Corporate Finance. You will be a Senior Executive with wide corporate finance advisory services experience including property related transactions. Knowledge of capital market products would be a distinct advantage. An attractive remuneration package will be offered reflecting the strategic importance of this newly created position.

Contact: Leslie Squires

**ACCOUNTS MANAGER**  
£25-£35,000

A well-established UK merchant bank is in the process of capitalising upon its success within its marketing division. In response to this programme, two vacant positions have been identified. The roles will involve marketing the full range of the Bank's products to medium-sized UK corporates. Ideal candidates will have excellent marketing skills, based upon an in-depth knowledge of general banking.

Contact: Sarah-Jane Whitridge

ANDERSON, SQUIRES LIMITED, Financial Recruitment Specialists  
127 Cheapside, London EC2V 6BU. Telephone: 01-606 1706. Telefax: 01-726 4031

**Anderson, Squires**  
FINANCIAL RECRUITMENT SPECIALISTS

Banking • Treasury

London • Paris • Frankfurt

Securities • Operations

### SENIOR ECONOMIST

to £40,000

A leading US investment bank currently seeks a Senior Economist to cover the US Sector. Working within the Economic Research Department, your key role will be to support the Money Markets and Fixed Income trading teams, assessing trends in the US and comparing these with other major economies. You will have an in-depth knowledge of US economics, together with strong communication skills and prior experience of presentations to colleagues and clients. An economics degree is essential for this position. Preference will be given to candidates with post-graduate qualifications.

Contact: Wendy Fern

**JAPANESE  
EQUITY SALES**

An expanding Japanese Securities house seeks graduates in their mid-twenties to retail Japanese equities to Northern European and UK institutions. Linguistic ability would be a distinct advantage but not a pre-requisite. Candidates should have a minimum of two years' experience in a similar environment and be self-motivated. Our client offers excellent benefits, including a competitive salary.

Contact: David Puddick

## Director of Commercial Lending

The UK banking subsidiary of one of the world's largest corporations is poised to expand further its Head Office operations. A recent shift in emphasis of the Bank's business development strategy has created this new position within the highest echelon of the senior management team. Based in Croydon, the core business is the provision of secured medium term finance to businesses in Great Britain.

As a member of the Bank's Executive Committee, you will devise strategy, develop new products and tailor the existing product line to achieve annual sales targets for a broad base of financial services including commercial mortgage lending, overdraft lending, medium and long term business loans, etc.

Liaising closely with the Directors of Operations and Credit, you will establish effective procedures for processing new business. Additionally, you will lead and develop a small team in the pursuit of profitable business.

In your late 30's - early 40's, you are a graduate with about 15 years' banking experience gained within a North American or UK banking institution. An aggressive and successful marketer with extensive experience of UK corporate lending, you have a detailed knowledge of structuring and pricing, excellent man-management skills, the ability to take an overall view on creditworthiness and possess the desire and motivation to succeed in an extremely competitive market place.

This is a challenging and highly visible, key position and the salary will be commensurate with your calibre and experience. In addition to the attractive remuneration package, which includes a company car, medical insurance, etc., the Bank also offers an excellent bonus scheme.

Please ring or write with CV to **Carmina Leon Ogle, Simpson Crowden Consultants Limited, 97/99 Park Street, London W1Y 3HA, Telephone: 01-629 5909.**

**Simpson Crowden**  
CONSULTANTS

## ABN Bank Financial Engineer Off-Balance Sheet Products

ABN Bank, a highly respected international bank with an extensive corporate client base, is seeking to expand its off-balance sheet activities. A key position has been created for an ambitious Financial Engineer to set up and develop a Bank's Products Desk for the U.K.

The successful candidate will be responsible for the growth and day-to-day running of the desk, which will provide a pricing and advisory service to the client base in a range of off-balance sheet products and their derivatives (e.g. FRAs, Options, Futures and Swaps), as well as for the cover and control of positions and cashflows resulting from these activities.

In addition to relevant corporate dealing experience, which recently

will have concentrated on off-balance sheet products, the successful candidate must have the ability to devise strategies, possess strong communication skills, leadership qualities and outstanding sales ability.

For the right candidate, who is able to rise to the challenge, opportunities for further career development are excellent and a competitive salary will be augmented by an attractive benefits package.

Applicants should contact Kate Griffiths on 01-831 2000 or write, with full personal career and salary details to her at Michael Page City, 39-41 Parker Street, London WC2B 5LH.



**Michael Page City**  
International Recruitment Consultants  
London Paris Amsterdam Brussels Sydney

## CORPORATE FINANCE ASSISTANT DIRECTOR — YORKSHIRE

Excellent salary plus performance bonus.

Bank benefits including mortgage subsidy and car.

- Do you want to play a key role in the development of corporate finance in a major regional financial centre?
- Are you in your 30s, a graduate with a professional accounting or legal qualification?
- Do you have practical corporate finance experience with a merchant bank or stockbroker?
- Are you ready for promotion and to take on greater responsibilities?

Already well established in the City, Lloyds Merchant Bank is expanding its business through structured regional growth. Based in Leeds this position in a fast

growing regional financial centre, provides a rare opportunity for the right candidate to influence the direction and marketing of the corporate finance business working closely with the locally based Director. You will call upon your past corporate finance experience to provide high level financial advice to clients and to seek out major opportunities for flotations, mergers and acquisitions.

An excellent remuneration package will reflect the importance of this appointment. Career opportunities beyond this high profile role are outstanding. Relocation will be provided if necessary.

To apply please send full career details, together with current salary, to our Consultant, John Todd, Ref: 3493/JT/FT, PA Consulting Group, Fountain Court, 68 Fountain Street, Manchester M2 2FE, or telephone in confidence, 061-236 4531.



Lloyds Merchant Bank Ltd is a member of The Securities Association



Creating Business Advantage

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## Assistant Treasurer



£25,000 + CAR

With a turnover of around \$500 million, South Wales Electricity will become one of Wales' most substantial public companies after privatisation. The new environment offers a major challenge to the Treasury function and our client is seeking an ambitious individual to play a major part in developing its role.

Responsibilities will include cash flow management, short term investment and funding and the evaluation of alternative methods of financing. You should expect to be closely involved in all aspects of treasury activities.

You will have gained a good knowledge of treasury instruments, probably from within a banking environment or a corporate treasury. Above all, your treasury experience will enable you to make a major contribution in this development environment which offers an excellent opportunity for career progression to the successful candidate.

The post is based at the headquarters, near Cardiff and close to the M4, and relocation assistance will be provided where required.

Please send CVs, which will be shown to our client unless a covering letter gives contrary instructions, to: Janice Weider, Ref. 01471, Coopers & Lybrand Executive Resourcing Limited, Churchill House, Churchill Way, Cardiff CF1 4XQ.

Executive Resourcing  
Coopers & Lybrand

## Secure your future in Asset Based Financing Credit Analyst

The UK banking subsidiary of one of the world's largest corporations is seeking to increase its credit staff to support further planned growth in the 1990s. Based in Croydon, the head office core business is to provide corporate customers with a wide range of financial services, including operating and financing leasing, hire purchase, commercial mortgages and medium and long term business loans.

This rapid development and expansion has resulted in the opportunity to join a highly professional, dynamic Credit Department. Reporting to the Director of Credit, you will analyse and prepare detailed credit reports on prospective customers for presentation to the bank's Credit Committee. Responsibilities will also include visiting customers to gain an in-depth knowledge of their current financial situation, future plans and prospects.

In your 20s, you are of graduate calibre and have approximately 3 years' experience of credit analysis within a financial institution. You have successfully completed a formal credit training programme and have gained knowledge of equipment finance proposals and the associated legal issues. Experience of computer based credit analysis systems would be an advantage.

You will command a competitive salary, which reflects both your experience and potential, and the remuneration package includes a company car, bonus scheme, pension scheme and medical insurance.

In complete confidence, please ring or write to: Corinna Leon Ogle, Simpson Crowden Consultants Limited, 97/99 Park Street, London W1Y 3HA. Telephone: 01-629 5909.

**Simpson Crowden**  
CONSULTANTS

## Head of Banking

• **OUR CLIENT** is an established, quoted, independent UK Merchant Bank which serves the smaller corporate and private market.

• **THE APPOINTMENT** is as Head of the Banking Department responsible for the lending and deposit gathering activities of the Bank, a position which will quickly lead to a broader involvement in the running of the Bank at decision making level.

• **IDEALLY** the candidate will be a high quality graduate, aged in his early to mid-thirties, with a proven track record as a business minded banker with sound technical and credit skills, Numeracy, strong interpersonal and management skills and a flair for business development are essential.

• **THE REMUNERATION PACKAGE** will be attractively structured and will include a director level stock option plan.

Please apply in complete confidence, quoting ref. S/1009, to: Mark Stroud, WBH Human Resources, Rofel House, 1D Colet Gardens, London W14 9DH

## BOND & CURRENCY STRATEGIST

As one of the leading international securities houses, our client is committed to providing an outstanding research facility.

On their behalf we invite approaches from experienced graduates with a highly numerate background, probably aged between 25-35. A thorough grounding in economics is essential together with an intimate knowledge of both the foreign exchange and fixed income markets.

The primary function of the position is to produce research on international bond and currency strategy which will include regular portfolio allocation recommendations. The strategist will work closely with the economics team in the formulation of forecasts.

This position offers a unique opportunity to establish a key role within a highly regarded market name. Salary will not be a limiting factor for the right individual.

For an initial talk in confidence, please contact Clare Kearns, 20 Cousin Lane, London, EC4R 3TE. Tel: 01-236 7307. Fax: 01-489 1130.

**STEPHENS ASSOCIATES**

SEARCH & SELECTION SPECIALISTS IN SECURITIES & INVESTMENTS

## FOREX CHIEF DEALER SPOT DEALERS

Are you a success chief deal/dealer/market-maker with a proven and profitable track record?

Are you on a large salary but want more - much more?

Do you wish you can share in the profits you generate?

Our clients, a major financial institution with a well established interest in the Middle East and Far East. They are now expanding their operation in this area and are seeking to recruit a successful and ambitious chief dealer and spot dealers preferably with a knowledge of Middle East currencies.

You can look forward to a large basic salary, truly reflecting your experience and proven track record plus a unique profit share scheme, payable monthly, tax free based on your own profit results.

Please send details on your career to date. All replies will be treated in strictest confidence.

Write Box A1599 Financial Times, One Southwark Bridge, LONDON, SE1 9HL

### PROJECT FINANCE OFFICER £40,000 + Bank Benefits

Our clients, a leading international bank, is seeking a banker with a minimum of 3 years experience gained within a conventional project finance/corporate finance environment. The successful candidate will have gained exposure to high finance projects such as MBO's, LBO's and leasing in an environment acting as co-manager. For further details please call Jackie Osborne on (01) 588 6674.

### MARKETING OFFICER £25,000 + Package

To market this highly renowned international bank's financial products to a broad range of institutional clients in southern Europe, in particular Italy. These tend to be government bodies and agencies, and local banks. The successful applicant will also play a role in the development of new products using techniques in Swaps/Options and other derivative products. Strong verbal and written communication skills in both English and Italian, along with excellent quantitative ability are essential. This position will also include travel at short notice. For an immediate interview please contact Jackie Osborne on (01) 588 6674.

6 Broad Street Place, Blomfield Street, London, EC2M 7JH (Rec Cons)

## Corporate Lending

Joelin Rowe Associates have been retained by major international banks to recruit the following:-

- VICE PRESIDENT - CREDIT ANALYSIS £60,000 Management level, fluent French, experience of capital market issues.
- MARKETING MANAGER £40,000 Experience of syndications and structured finance, UK based clients.
- NEW BUSINESS DEVELOPMENT OFFICER £30-35,000 Corporate Banking background, experience of all lending facilities.
- ACCOUNT OFFICER - UK CORPORATES £30,000 Strong marketing/credit skills, corporate finance background.
- CREDIT ANALYST £25,000 Formal credit training, Degree educated, corporate/treasury experience.
- PRIVATE BANKING OFFICER £20-25,000 Clearing background in credit/marketing, languages beneficial.



RECRUITMENT CONSULTANTS  
BELL COURT HOUSE, 11 BLOMFIELD ST, LONDON EC2M 7JH TEL: 01-438 5230 FAX 01-382 2417

### WHICH CAREER SUITS BEST?

Professional Guidance and Assessment for all ages.  
18-24 yrs: Careers, Careers  
25-34 yrs: Progress, Changes  
35-54 yrs: Review, 2nd Careers  
Full details in free brochure:-  
● ● ● CAREER ANALYSTS  
90 Gloucester Place W1  
01-935 5452 (24 hrs)

### ANALYST

An independent publishing company seeks a young Financial Analyst for a fascinating new venture in the capital markets.  
Apply in confidence to Box A1486, Financial Times, One Southwark Bridge, London SE1 9HL.

### SPOT DEALERS

\$/DMK \$/YEN DMK/YEN £/DMK £/YEN

A number of major international banks are seeking to strengthen their FX activities by recruiting experienced spot traders in mainstream currencies.

Currently working within a similar environment, you must be able to demonstrate the ability to perform profitably as an individual within the team structure. Emphasis will be placed on cross currency dealing and currency options, and a second language would be an advantage.

Salary and benefit packages are highly competitive and should not be a limiting factor for the right individuals.

Please telephone or write in confidence to Cross Selection at 210 Bishopsgate, London EC2M 4NR (01 283 0799).



RECRUITMENT CONSULTANTS

### DOES YOUR INCOME REFLECT YOUR ABILITY?

If you are intelligent, ambitious with ability and are aged 25-35, you must be asking yourself if you're really getting the rewards and recognition you deserve?

With the M.I. Group your special talents won't go unnoticed. No previous experience is necessary.

You'll be given full training together with the kind of opportunities you're demanding. If you can match these qualities you could qualify to join one of the UK's top financial organisations. Simply phone for further details and talk to:

Barbara Kasper on 01 493 6389 (West End Office) M.I. Group

### MANAGING DIRECTOR

**Start-up Confectionery Company**

Belleclair Ltd., a start-up quality confectionery company with capital, production facilities, experience, ideas and motivation to become large, require a marketing and sales orientated managing director to drive the company forward. This position would particularly suit a young energetic person who now seeks a Board appointment. Senior level marketing and sales experience are essential. Experience of the food sector would be preferable. Remuneration package is negotiable, share options available.

Please send your C.V. to: Peter Thornton (Chairman) Belleclair Ltd., Belleclair House, Archer Rd, Sheffield S8 0JW

### FIXED INTEREST

Independent actuary with 18 years experience in fixed interest markets, domestic and international, is available as specialist fund manager or general investment advisor on full or part time basis. Access to latest research, proven successful record, flexible working arrangement.

Write Box A1400, Financial Times, One Southwark Bridge, London SE1 9HL

### STOCKBROKING IN SOUTH HAMPSHIRE

Long established and expanding Stock Exchange Firm has a vacancy in its recently opened South Hampshire office for a TSA Registered Representative with own clientele. Excellent facilities & back-up. Pleasant environment and highly competitive commission structure.

Please reply in confidence to Box A1403, Financial Times, One Southwark Bridge, London SE1 9HL



## Outstanding Opportunity

### Pension Funds Head of Department

Perpetual plc, an independent fund management group with a reputation for long term investment success, has recently expanded into the pension fund management field, focusing on niche areas where the company's expertise has particular relevance.

Perpetual are now looking for an experienced individual to co-ordinate the company's activity in this area as head of the department responsible for marketing to pension funds.

The successful candidate will be an ex-fund manager and a

person who has experience of marketing to the pension fund industry - strong presentational skills are essential.

This is a challenging position and will require someone with energy, drive and initiative. In return a substantial salary is envisaged with other attractive benefits.

Applications in strict confidence to M Arbib, FCA, Chairman, Perpetual plc, The Old Rectory, 17 Thameside, Henley-on-Thames, Oxon RG9 1LH.



### FIRST FUTURES LIMITED AFBF MEMBERS

Futures & Options Sales/Broking

Experienced & Trainee Staff Required

Call Tim Warren On: 01 925 0033

### MONEY MARKET DEALER

**c. £20,000 p.a.**  
Due to expansion of our London Treasury operations we are looking for a Dealer with a few years experience actively trading Money Market products including Futures and FRAs. The successful candidate would have dealt in domestic as well as European markets.

Potential candidates should send their c.v. to:

Bernard Piche V.P. National Bank of Canada Princes House 95 Gresham Street LONDON EC2V 7LU

## OPPORTUNITIES IN BUSINESS DEVELOPMENT CONSULTANCY

CONVERTING BUSINESS POTENTIAL INTO REALITY  
M4 Corridor £26,000-£30,000 (neg) + Car + BUPA

This major service and supply company is currently reorganising its Business Development Group to provide more incisive business strategy, planning/analysis and implementation support to directors and senior management.

As a result, there are now challenging consulting opportunities where high-calibre professionals can apply their expertise in adding value to existing services and activities.

### Business Consultants

These roles are primarily concerned with the analysis, negotiation and implementation of new business ventures. The work will bring you into regular contact with senior executives both internally and externally, so the ability to identify and evaluate commercial opportunities and the confidence to sell specific proposals persuasively at this level are essential.

Qualified to degree level or equivalent, ideally in economics, business studies or finance, you must be able to demonstrate proven consultancy skills. These will have been gained within a large organisation and include extensive experience in strategic planning, investment appraisal, financial control and third party negotiations. Technical experience such as project appraisal in the oil/gas sector would be advantageous. Ref: JSA/1/FT.

### Technical Consultants

Your objective will be the identification and development of commercial ventures which will enhance and complement existing activities. In this high-profile role you will work alongside Business Consultants, contributing significantly to business development activity and liaising with senior level management inside and outside the company.

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## Advertisements For further information

call 01-873 3000

Deirdre McCarthy ext 4177

Elizabeth Arthur ext 3694

Nicholas Baker ext 3351

### COMPANY NOTICES

THE INSOLVENCY RULES 1986  
NOTICE OF APPOINTMENT OF JOINT ADMINISTRATORS

Name of Company: Registered Number:  
Pala Limited 218882  
Starfield Area Limited 718227  
Pala (Vending) Limited 2221880

In accordance with Rule 2.10(2) of the Insolvency Rules 1986 notice is hereby given that John Eric Macmillan of Great Thornton, 21 Carlton Crescent, Southampton, SO1 2EW, and Patrick Walker John Hartigan of Booth, White & Co, 8 Raleigh House, Admirals Way, Warrimoo, London, E14 6SN, were appointed Joint Administrators of the above companies, who traded as wholesalers and vendors of mineral waters and soft drinks, on 8 November 1989, by order of the High Court.

DATED THIS 8TH DAY OF NOVEMBER 1989  
J E Macmillan P W J Hartigan  
Joint Administrators

### PUBLIC NOTICE

INSOLVENCY ACT 1986  
THE INTERIOR CONNECTION CO LTD

NOTICE IS HEREBY GIVEN, pursuant to Section 98 of the Insolvency Act 1986, that a Meeting of the Creditors of the above-named Company will be held at the Great Eastern Hotel, Liverpool Street, London, EC2 on Thursday 14th December, 1989 at 10.45am for the purpose mentioned in Sections 100 and 101 of the said Act.

Brian Mills Insolvency Practitioner of Booth, White and Company, 2 Nelson Street, Southend-On-Sea, Essex SS1 1HF will furnish Creditors, free of charge, with such information concerning the Company's affairs as they may reasonably require.

Dated this 17th day of November, 1989.  
By Order of Board  
Director  
D Howard

### COMPANY NOTICES

NOTICE TO BONDHOLDERS OF SECOCM CO., LTD.  
U.S.\$49,000,000 5% CONVERTIBLE BONDS DUE 1998

Pursuant to Clause 6 (B) of the Trust Deed dated 28th May, 1983, notice is hereby given as follows:  
At the meeting of the Board of Directors of the Company held on 21st September, 1989, the resolution was adopted on the issue of new shares by free distribution, particulars of which are set out below. Consequently, the Conversion Price of the Convertible Bonds shall be adjusted, as set out in (2) below.

(1) The free distribution of shares will be made to shareholders of record as of 30th November, 1989 (the Record Date) at a ratio of 0.3 new shares for each one share held.  
The free distribution will become effective on 19th January, 1990.

(2) Adjustment of the Conversion Price:  
Pursuant to Condition 5 of the Terms and Conditions of the Bonds, the Conversion Price will be adjusted from the current \$2,528.10 to \$1,944.70 effective as from 1st December, 1989, Tokyo time.

SECOCM CO., LTD.  
By: The Willmott & Sons, Limited as Principal Paying Agent  
Dated: 22nd November, 1989

U.S.\$80,000,000 3 1/4% CONVERTIBLE BONDS DUE 1999

Pursuant to Clause 6 (B) of the Trust Deed dated 18th September, 1984, notice is hereby given as follows:  
At the meeting of the Board of Directors of the Company held on 21st September, 1989, the resolution was adopted on the issue of new shares by free distribution, particulars of which are set out below. Consequently, the Conversion Price of the Convertible Bonds shall be adjusted, as set out in (2) below.

(1) The free distribution of shares will be made to shareholders of record as of 30th November, 1989 (the Record Date) at a ratio of 0.3 new shares for each one share held.  
The free distribution will become effective on 19th January, 1990.

(2) Adjustment of the Conversion Price:  
Pursuant to Condition 5 of the Terms and Conditions of the Bonds, the Conversion Price will be adjusted from the current \$4,704.80 to \$3,619.10 effective as from 1st December, 1989, Tokyo time.

SECOCM CO., LTD.  
By: The Willmott & Sons, Limited as Principal Paying Agent  
Dated: 22nd November, 1989

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### PERSONAL

## DISABLED

Mr B, a writer, managed to earn his living and support a family. With old age came increasing disability and he now needs the continuing support FCAC can give him. To help Mr B and others like him, please send a donation or consider making a Deed of Covenant to Professional Classes Aid Council (1), 10 St. Christopher's Place, London W1M 6HY

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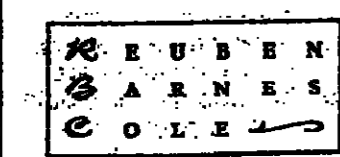
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Please FAX all responses to George Darrozes LRPH  
Tel: (212) 720-0251 or (212) 720-5028 or Telex 152803  
Selected candidates will be interviewed in the UK on: Thursday, November 30, 1989 and Friday, December 1, 1989.

## Retired Bank Manager

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ACCOUNTANCY COLUMN

Effect of new standard on pension accounting

By Eric Short, Pensions Correspondent

SSAP 24 (Statement of Standard Accounting Practice no 24), which lays down how pension costs should be reported in company accounts, has been in circulation for more than 18 months. But most finance directors are only now becoming aware of its implications.

For all accounting years beginning after June 1988, companies will have to show pension costs in the accounts on a systematic and rational basis, instead of the previous system where the costs represented the contributions paid into schemes; most companies will not have to apply it until the end of this year.

One objective of the standard was to provide year-to-year consistency and to account for costs of pension liabilities over the period that the liabilities were incurred.

One of the first effects was to stop companies bringing the immediate benefits of pension-scheme surpluses into reported profits by taking full credit for contribution holidays.

Now such surpluses have to be spread over the average working lifetime of the employees.

Even with this spreading, however, the impact of pensions surpluses on reported profits can be highly significant - as seen when British Telecom issued its half-yearly results last week.

BT disclosed that the charge to pension costs was only one third of the previous 12 per cent company contribution, that operating costs had gained \$6m at the interim stage and that the full year's pre-tax profits were expected to be boosted by some \$150m.

The full effect of SSAP 24 will not be seen until the early months of next year, when accounts for the year to end-December are published. Nevertheless, actuaries are already assessing the standard's implications and considering what changes ought to be made.

In a paper presented to the Staple Inn Actuarial Society earlier this month, two actuaries employed by William M Mercer Fraser, the employee benefit and consulting actuarial firm, concluded that it was failing to fulfil its aims.

Paul Greenwood and Mike Reynolds, the authors, said the main cause of failure was the flexibility the standard gave actuaries in the methods and assumptions they could adopt to calculate the reported pension costs.

Ascertaining pension costs and funding rates for pension schemes has always been regarded as the natural role of actuaries.

The introduction of a formal standard of accounting for pension costs brought accountants into this field, since accountants have to sign the accounts and therefore need to ensure that the costs represented a true and fair view.

This situation could have produced disharmony between the two professions, if not outright hostility.

The Working Party for the SSAP - which has actuarial representation - attempted to defuse this potential conflict when it set out the ground rules.

It established very general principles for calculating pension costs, while leaving the actuary to use his professional judgement on the method and assumptions used in reaching a figure.

The methods and assumptions must be disclosed, however, in the notes to the accounts.

In practice, it was expected that the actuary would discuss his procedures with the auditor before producing a figure.

This system would ensure a smooth relationship between the two professionals and avoid awkwardness later with an auditor seeking information and questioning the actuary's work.

Consequently, actuaries have a choice of calculation methods which they can use - although some actuarial costing methods do not conform with the standard - and considerable freedom in the underlying assumptions used, such as investment returns, earnings growth, inflation, mortality and other demographic factors.

The authors have surveyed methods and assumptions used by actuaries in SSAP 24 calculations. Their survey shows actuaries are making full use of the flexibility. In particular, there was considerable variation in the method used to spread forward the effect of variable items like a pension surplus.

Actuarial assumptions on real rates of investment return over growth in earnings varied from 1 per cent to 3 per cent, with extremely optimistic actuaries using 3.5 per cent and real rates of return over prices that ranged from 3 per cent to 5.5 per cent.

It appeared from the society's meeting that both actuaries and accountants were still finding problems in implementing the standard.

Investment analysts apparently are making no attempt, however, to understand the implications of SSAP 24. They take the pension costs as shown and make no adjustment in inter-company comparisons.

Some large accountancy firms have held seminars for analysts on the effects of SSAP 24 but without much success.

Actuaries and accountants at the meeting stressed that one year's pension cost, taken in isolation did not mean very much. The main benefit would be in the trend of costs over longer periods.

While the market is not differentiating between pensions costs in company comparisons, however, finance directors will be tempted to get the actuary to use the most favourable method and assumptions.

The authors' proposed solution was to amend the standard to be far more specific on the actuarial methods and assumptions.

over a key aspect of actuarial work to accountants and finance directors and leave actuaries as mere calculators.

Furthermore, since most large accountancy firms now have actuarial departments, even the actuarial calculations could be done in-house in many cases.

Accountants at the meeting made it clear, however, that they have no desire, at least in the immediate future, to take over the actuary's role in calculating pension costs. They have enough problems of their own in auditing accounts.

What accountants are looking for, however, is co-operation between actuaries and themselves at all stages of the process.

While this is already happening in general, there are cases where accountants are being presented with pension cost figures as a fait accompli and are expected to accept them with no more than superficial inquiries.

The meeting agreed, however, with the authors' contention that far more disclosure was needed on the underlying calculations and methods that were used to produce the pension cost figures.

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The person appointed will lead a small team responsible for the provision of accurate, fast and relevant management information for the company's downstream operations including forecasting the effect of current trends on the business. Regular contact with senior executives is therefore an important part of the job.

To meet this challenge you will be around 30 years of age and a graduate qualified accountant with experience of management accounting in a vertically integrated process industry, preferably oil. The ability to think conceptually and to implement change are essential personal qualities.

The salary will reflect the importance of the appointment, a company car will be provided and the usual large company benefits will be given. Future career prospects are excellent.

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As Financial Controller you will report to the Managing Director and be a fully contributing member of the senior management team to drive the company forward. You will have 15 staff and be responsible for the efficient and effective management of the financial and accounting, information systems and administration functions. Of particular importance will be your skills to develop and motivate your team to produce the necessary management information, both timely and accurately, for the operating managers to control and direct their activities in a thoroughly commercial manner.

You will be a qualified accountant, aged around 30, with sound commercial financial management experience, ideally within the IT sector. Personal attributes must include able team building skills and the ability to be a 'team player' with a 'role your sleeves up' approach and a keen ambition to succeed.

Resumes, with daytime telephone number please, to Chris Haworth, Ref CH632, Coopers & Lybrand Executive Resourcing Limited, Sheldy House, 3 Noble Street, London EC2V 7DC.

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**An opportunity to join a leading legal firm City**

A major City law firm with a prestigious client base, the Partnership prides itself on a reputation for producing work of the highest professional standard. The Firm has recently undergone considerable expansion and invested in the latest technology. Within this framework, an efficient finance function is clearly of paramount importance. A vacancy has now arisen within the Firm for a Financial Controller whose role it is to support the Financial Director in a variety of duties.

The role encompasses forward planning and budgeting in accordance with long term objectives; enhancement of internal controls and systems; preparation of both financial and management accounts, including interpretation of the latter; collation of other financial information for internal use. It is intended that the Financial Director should delegate day-to-day responsibility for these tasks in order to concentrate on broader considerations: self-motivation and initiative on the part of the appointee are, therefore, absolutely essential.

Applicants should be qualified accountants, educated to degree level, with at least one year's post-qualification experience gained in a "Big 8" firm or in industry. A high level of numeracy and literacy, and in-depth familiarity with computer systems, are equally essential. In addition, candidates must be sensitive to the requirements of a major partnership and equipped with the interpersonal skills to communicate effectively with both partners and colleagues within the Firm.

Please write in confidence, with full career and salary details, quoting reference C2739/3 to Tim Knight.

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**Corporate Planning Manager**

**Thames Valley hi-tech c.£37,000 + Car**

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This high profile role is responsible for managing the corporate planning function. This is organised into customer groups, ie, finance and banking, retail, commercial and manufacturing, and government. Key elements will include:

- review and analysis of operating performance
- annual budgeting and financial forecasting

Interested candidates should write enclosing a Curriculum Vitae to Peter Ward ACMA, at the address below.

**Peter Ward Associates**  
FINANCIAL RECRUITMENT CONSULTANTS  
Lords Court, St Leonards Road, Windsor, Berkshire SL4 3DB.  
Tel: (0753) 830881

**KPMG Peat Marwick McLintock**

**Executive Selection and Search**  
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**FINANCIAL DIRECTOR DESIGNATE**  
**Ascot, Berkshire c£30,000 + Car**

A major U.K. subsidiary of this highly successful quoted company, operating throughout Europe in the sales and marketing of electronic components, is seeking an ambitious qualified accountant to take charge of its finance and administration function.

Turnover at present is £8m with a programme of rapid organic growth and acquisition projected.

The successful applicant will be aged around thirty with a proven record of achievement in commerce. He/She will be able to demonstrate hands on computer experience and will be looking for a challenging broad financial role in a demanding environment.

C.V. to **Michael Chick, Managing Director**  
Acal Electronics Ltd  
Glendale Park, Fernbank Road  
Ascot, Berkshire SL5 8JB  
0344 885661

**APPOINTMENTS WANTED**

**CORPORATE FINANCE**

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45 year Danish male. MBA, ACMA, LLB, specialised in International, EEC, and Tax Law, Mergers, Acquisitions, Investments, Funds and Trusts, seeks job in UK or abroad. Speaks 6 European Languages.

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In order to manage this considerable project, the successful candidate will need to demonstrate the following skills:

- A strong background in project costing and management accounting
- An ability to develop computerized systems
- Good PC modelling skills
- An ability to creatively develop ideas which will be commercially viable and acceptable.

This is a significant opportunity for an individual whose interests lie in financial management, as opposed to pure cost control and reporting. The position will therefore demand the breadth of vision to establish innovative, pragmatic and logical solutions to a wide variety of financial issues. Given the considerable scope for exposure to key personnel at all levels within the Group, you must be able to demonstrate strong interpersonal skills, coupled with a mature and persuasive approach.

The Group has an impressive track record of promotion and career opportunities, and is therefore keen to ensure that you will have the potential to develop from this role into other areas.

If you are interested in discussing this exciting opportunity further, please telephone Karen Wilson RA ACMA on 01-491 3431 or write to her at FMS, 14 Cork Street, London W1X 1LF enclosing a recent CV and a note of current salary.

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## Financial Controller

Central London

c. £33,000

A highly successful group which is engaged in printing commercial stationery and allied activities is now poised for an exciting phase of expansion. To achieve ambitious growth targets a new board has been appointed recently to manage some 300 people across 3 locations. Group turnover in 1990 will be in excess of £20 million.

In the context of these developments it has been decided to appoint for the first time a financial controller who, reporting to the finance director, will establish, develop and implement all elements of financial and management accounting. Supported by a small head office accounting team and working closely with three divisional

accountants, the financial controller will be responsible for all group reporting requirements. There will be a particular emphasis on implementation of new costing systems.

The ideal candidate will be a chartered accountant, aged probably between 45 and 50, who can bring to bear a good record of achievement in a related business. Knowledge of sophisticated contract costing techniques and also Lotus 1-2-3 are essential.

To be considered for this position please send a cv or telephone Nicolas Mabin (01-928 2000) at Ernst & Young Search and Selection, Becket House, 1 Lambeth Palace Road, London SE1 7EU, quoting reference F/610/N.

**Ernst & Young**

## Group Finance Director

Central London

c. £55,000 + bonus + s/o + car

Our client is a diverse publicly quoted group with activities in manufacturing, property and financial services. Turnover is currently in the region of £30m and is expected to reach £100m in two years' time.

With this growth in mind, a Group Finance Director is required to manage group funding and obtain finance for future acquisitions, playing an active part in their assessment and integration into the group. In addition, the appointee will have functional responsibility for all finance functions throughout the group, establish policies and work closely with the local management.

This is an exciting and demanding opportunity which will appeal to candidates who are qualified accountants, likely to be in the age range 35-45, with commercial experience gained in a

medium sized group. This will have resulted in responsibility for interpreting management information and considerable involvement with financial institutions through acquisitions/disposals etc. Alternatively, experience could have been gained within a corporate finance function in a role responsible for appraising, funding and monitoring businesses.

The successful individual will need to possess considerable drive, exhibit commitment to the group and be able to work autonomously in a demanding environment. He or she must be of sufficient stature to represent the group externally.

Please send career and personal details quoting reference F/470/A to Carrie Andrews, Ernst & Young Search and Selection, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

**Ernst & Young**

## Financial Controller Director Designate

Swindon

c. £30,000 + car

Our client is a young, successful and rapidly expanding electronics subsidiary of a North American communications group. As American leaders in its field, the group is entering an exciting stage of product development and market growth. There are plans to expand both UK and European distribution, creating the need for a Financial Controller.

The Financial Controller will assume responsibility for the total financial and administrative function. As a member of the management team the successful candidate will make a commercial and creative contribution to the decision making process. Key responsibilities will include development of improved reporting and operating systems, profit forecasting, planning and treasury management.

Candidates must be professionally qualified, preferably chartered accountants, unlikely to be less than 30, with five years line

management experience in a fast moving marketing or distribution environment. Communication and interpersonal skills are important, as is independence and an energetic business approach to corporate development in a fast changing market place. Experience of computerised systems and international trading would be an advantage.

This is an excellent opportunity to join an expanding international company and to take a significant role in its European development. A competitive remuneration package is offered together with relocation assistance to this attractive part of the country.

Please reply in confidence with full career, personal and salary details, quoting reference R/100 to David Robshaw, Ernst & Young Management Consultants, Prince House, 43-51 Prince Street, Bristol BS1 4QL.

**Ernst & Young**

## Divisional Accountant

City

c. £26,000

The company has become very successful in the provision of commercial photographic and print design services, employing the latest technology and some 80 people. In the context of the introduction of new accounting systems and controls our client has created a new position of divisional accountant.

The divisional accountant will be responsible to line management and the group financial controller for the entire financial and management reporting for this significant subsidiary, which has annual turnover of c.£7 million. An important feature of the role will be its

emphasis on costing and on close monitoring of budgets.

This demanding role will appeal to a qualified accountant (ideally CIMA), probably aged between 27 and 33, who wishes to assume personal responsibility for the accounting control of a total business. Good interpersonal and presentation skills will be essential for this style conscious environment.

To be considered please send a cv or telephone Nicolas Mabin (01-928 2000) at Ernst & Young Search and Selection, Becket House, 1 Lambeth Palace Road, London SE1 7EU, quoting reference F/720/N.

**Ernst & Young**

## MTP

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- management accounting
- investment appraisal

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- business games

The work is varied and rewarding, involving client relationships with major companies and there will be opportunities for further rewards and responsibilities as the business grows.

Basic salary £30,000-£35,000 plus car. Incentive and profit sharing scheme could increase earnings by a further £20,000.

Please send CV to Chris Goodwin Partner, The Management Training Partnership, 14 Prubendal Court, Oxford Road, Aylesbury, Bucks HP19 3EY or ring (0296) 23474 for further details.

## YOUNG FINANCE DIRECTOR (DESIGNATE)

Innovative specialist distributor

Chester Age 27-33

£28-30,000 package + car + benefits

With turnover approaching £15m, this specialist distributor - part of a well-known major UK plc - has exciting plans for the future. Volume growth will come from a number of new products which are in the pipeline, while service levels and quality standards are the targets for major improvements. To achieve maximum benefit from these developments, the company is seeking a high-calibre young Finance Director to join the management team.

As a first priority, you will want to carry out an in-depth analysis of current systems and practices. Developing better information on costs will be important, as well as enhancing systems, principally in the areas of financial reporting and stock management. In the longer term, your most useful contribution will be to focus on the commercial aspects of the business, working closely with your colleagues to improve margins, control costs and invest imaginatively in new areas of activity. The management style is open and dynamic, and you will be encouraged to play a full part in helping this business to achieve its considerable potential.

You will be qualified, experienced in systems and familiar with the demands of a tough commercial environment. Your team of some dozen financial and DP staff will look to you for positive leadership and technical direction. The opportunity to score a major success here is enormous and could lead to exciting further developments within the parent Group.

Please apply to our Manchester Office, where your contacts are Audrey Shaw or Dudley Harrop. M2143

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## FINANCIAL CONTROLLER

With flair... and Board potential

Manchester area Late 20's/early 30's

c.£30,000 + bonus + car + benefits

Our client is part of a major international advertising Group. With turnover already in excess of £30m, they have achieved an enviable reputation for effective, distinctive advertising which is the basis for their continuing success. Their client base encompasses many household names, both locally and on a national level. Expectation of further rapid growth has now led to the creation of a new position for a high-calibre finance professional, reporting directly to the Managing Director.

Your brief will be wide-ranging. As an early priority, you will want to upgrade current systems and establish new controls in order to improve the quality of financial and management information. This may necessitate restructuring your financial team, and will involve updating computer systems. You will work closely with the Managing Director on strategic issues, planning for future growth of the business and presenting agreed financial targets to the Group Main Board.

To meet the challenge of this new position, you will be a graduate qualified accountant, whose training may have been obtained in the profession. You will be dealing with creative individuals and will need to empathise with their environment. A knowledge of advertising would be an advantage. But it is more important that you are determined, communicative and commercial. Success could lead to a Board appointment within a year.

Please apply to our Manchester Office, where your contacts are Audrey Shaw or Dudley Harrop. M2144

**ASB**  
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Manchester M2 1EA. Tel: 061-834 0618  
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## FINANCE MANAGER High-Tech Service Industry

London WC1

To £35,000 + bonus + car

The new general manager of this small, high-tech subsidiary of a large PLC has a brief to expand it into a very much greater, more profitable business. He plans to do this by approaching the market more aggressively, increasing the geographical area covered, and by insistence upon quality throughout the company. A very commercially aware finance manager is required to join the senior management team in directing the growth of the operation.

The position will control the finance function and the first priority will be to rebuild this into an effective management tool. It will focus on the commercial direction of the company and on imaginative and practical solutions to business problems.

Candidates are likely to be qualified accountants in their early/mid 30's who appreciate the difference between a score-keeper and a finance manager. They will have strong analytical and communication skills, sharpened by several years in a commercial business environment. They must also possess the drive to succeed in a company whose target is a ten-fold increase in sales over the next five years.

Interested candidates should send a comprehensive CV, including salary history and daytime telephone number and quoting Ref. 3060 to Vivienne Hines, Executive Selection Division.

**Touche Ross**

Thavies Inn House, 34 Holborn Circus, London EC1N 2HR. Telephone: 01-353 7361.

SURREY c£80,000 + benefits

### Business orientated GROUP FINANCE DIRECTOR

High profile service PLC with strong professional and entrepreneurial management, seeks a resilient, business orientated Group Finance Director to play a major role in the control and development of new and existing business.

This is a challenging and very rewarding opportunity for a Finance Director who is a professional businessman as well as a professional accountant. Full benefits package.

Please send your c.v. in complete confidence to: The Chairman, QT Search, Reed Accountancy 47 Brompton Road, London SW3 1DE

HANTS c£40,000 + benefits

### FMCG GROUP FINANCE DIRECTOR

This position is in an expanding, quality personal care products group, with hands-on responsibility for financial, administrative and computer systems management. The Finance Director will also have a major involvement in the strategic direction of the group.

An outstanding opportunity for a professional accountant with a successful, well rounded business track record. Excellent benefits package offered.

Please send your c.v. in complete confidence to: The Chairman, QT Search, Reed Accountancy 47 Brompton Road, London SW3 1DE

QT Search maintains a register of very senior financial managers seeking appointments within the £35,000 - £100,000 salary range. Personal confidentiality is guaranteed as all QT Search applicants are the responsibility of a Reed Executive plc main board director. We welcome registrants for the above appointments and for other non-advertised career opportunities. Reed actively promotes Equal Opportunities.

**REED... accountancy**

## PRACTICE GENERAL MANAGER

"A key role in one of the most dynamic & successful independent Accountancy Practices"

West Country

£substantial + bonus + car etc.

"The person we seek really has to be exceptional but then so are the rewards. Whoever joins will be my right hand person and will be involved in all areas of operation of the Practice ranging from monitoring its finance and administration to monitoring and helping improve the performance of key departments such as Corporate Finance, Operations, Client Portfolio, Tax Consultancy and Training, Finance & Admin, to managing our insurance services subsidiary and generally contributing to the overall success of the practice. He/she will possess a strong commercial bent, the personal stature, intellect and the management & organisational skills to be readily accepted by the talented people here. Excellent communication skills are obviously mandatory.

A Chartered Accountant probably in the 30 to 45 age bracket would be ideal. He/she will already have Board Room experience of Director or Partner level within a service based business".

The above quote is from the Chief Executive of one of the most successful and forward thinking independent accountancy practices whose objective already partly realised is to become a leading business engaged in a range of financial services related activities. The strategic plan envisages significant development through diversification, acquisition and organic growth and our client must be one of the most exciting organisations to grow with. Career development opportunities are therefore excellent.

The remuneration package is designed to attract candidates of exceptional calibre and will include a competitive salary, bonus, fully expensed car, capital opportunities, private health cover and a non-contributory executive pension scheme. Generous relocation assistance will be provided where appropriate.

If you feel qualified for this very real opportunity we would like to hear from you. Perhaps we should stress that the right person could come from a variety of companies and roles provided that he/she matches the key criteria already outlined.

Please write in strict confidence with full career details including current remuneration to:

Dirk Degenhart or Vinit Vodi (ref: PGM 936), Dirk Degenhart & Partners Limited, Management Search & Selection, Swan Centre, Fishers Lane, London W4 1RX. Tel: 01-995 1331 (daytime) or 01-560 5619 (evenings & weekends), Fax: 01-994 9288 (24 hours).

## WHERE AUDITING WORKS WITH BUSINESS . . .

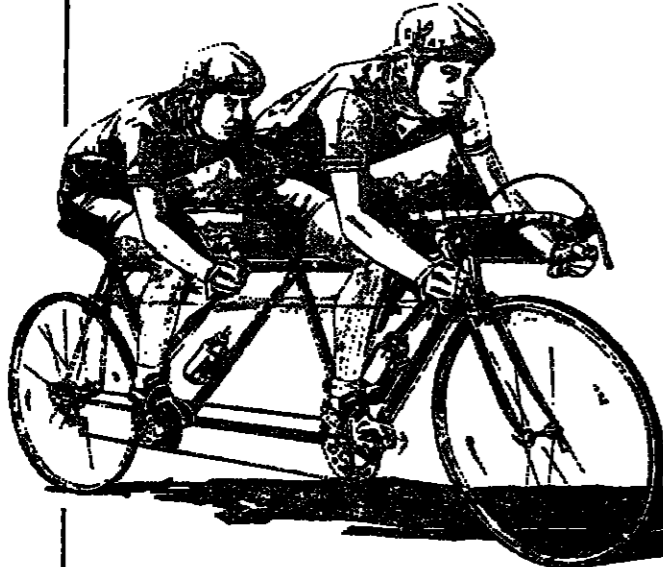
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**Parker**

If you have the technical and personal skills to thrive and manage in such a high profile role, you could join Parker Hannifin - a \$2.5 billion international company - as an Audit Professional.

Your brief will be to assist our European operations in the identification and implementation of a range of auditing/financial solutions. Not just strategy and planning, but also "hands-on" practical involvement, working closely with our external auditors.

You will operate with a considerable degree of autonomy (your reporting line is directly to the States) and enjoy extensive travel throughout Europe.

In selection, therefore, we'll be looking for a self-motivated and resilient ACA, CIMA or ACCA. In addition, you'll probably be aged mid-late 20's and a German or French speaker.

We're looking for people of the intellectual and personal calibre to progress to senior management level in finance or beyond, winning the confidence of operations managers and liaising to the highest level on the way.

The salary quoted is negotiable and should not deter exceptional candidates. Our top company benefits package includes a quality car and, where appropriate, generous assistance with relocation.

Please send your CV to Mr Leszek Marciniowicz, Personnel Manager, Parker Hannifin Plc, Star House, 69-71 Clarendon Road, Watford WD1 1DQ. Telephone: (0823) 246811.

## Credit Manager

Southern Home Counties

to £30,000 + car and benefits

The client is a fully integrated and rapidly expanding UK energy company which forms part of a worldwide international group. In the UK there are 7,500 live debtors accounts and the average total debtors outstanding is £60 million.

Reporting to the Head of Finance you will be responsible for the total credit control function of the UK company including outstanding loans to customers. You will manage a department of nine staff and as a priority will be actively involved in the further development of the computer based systems.

You will be aged 30-40, preferably a member of the

**MAL**  
Management Appointments Limited  
LONDON - PARIS - MILAN - NEW YORK

Institute of Credit Management and will have several years experience as a Credit Manager or Assistant in a large company. You will have good man management skills and will be familiar with modern computer based systems.

Opportunities for further advancement are excellent within this company of international standing.

Please apply in strict confidence to George F Cross, at Management Appointments Limited, (Executive Search and Selection Consultants), Finland House, 56 Haymarket, London SW1Y 4RN. Tel: 01-930 6314.

## Financial Controller

Maidenhead  
£40,000 + Car + Bonus

Imagineering is one of the largest independent distributors of microcomputer hardware, software and peripheral equipment in Australasia and the Far East with a worldwide revenue in excess of US\$200 million. Having identified markets in Europe, Africa and the Middle East for their own range of Personal Computers a UK-based headquarters has been established to develop these opportunities.

The ambitious and demanding expansion plans for the company have focused on the need to bring on board a high quality, strategic oriented financial controller to help

direct the development of the company's future, whilst at the same time being prepared to adopt a hands-on approach.

Your immediate tasks will include establishing appropriate accounting and other in-house systems to support and advance the varying activities of the business. In addition, you will be required to perform business reviews focusing on pricing (including transfer pricing), cost control and margin analyses.

A young qualified accountant (preferably Chartered) with three to five years post qualified experience, you are ideally working in the finance function of an established distribution

operation where you are confidently using spreadsheet and other financial modelling tools.

This is an exciting opportunity to assume a key role in the development of a young but dynamic and forward-looking company.

All replies to this advertisement will be passed to our client but, in the first instance, please write enclosing a CV and details of current salary (including transfer pricing), cost control and margin analyses.

A young qualified accountant (preferably Chartered) with three to five years post qualified experience, you are ideally working in the finance function of an established distribution

Price Waterhouse

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PLEASE WRITE IN CONFIDENCE TO: RICHARD WALKER



SECOND IMAGE LIMITED  
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Monaco

## CHIEF ACCOUNTANT 350/450 KFF

An expanding group trading in oil and petrochemicals is proposing you to become its Chief Accountant.

Reporting to Financial Director you will have to lead a team of 5 persons and will be responsible for managing effective accounting systems to meet group and management reporting requirements. In addition you will prepare the monthly and annual statutory accounts for the group.

To succeed you will be chartered Accountant (DECS for french candidate), with at least five years experience in accounting, ideally gained in an international trading group.

Energy, drive and personal skills will all contribute towards integration within this group. Please write - in confidence - with full career details and reference 882 to A.L. Conseil 35, rue de Naples 75008 Paris - France.

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For further information call

01-873 3000

Nicholas Baker ext 3351

Deirdre McCarthy ext 4177

## City Solicitors

## PARTNERSHIP MANAGER

from £35,000 + car + benefits

A successful and expanding twelve partner practice has decided to appoint a Partnership Manager to be responsible for the supervision of the accounting function and to control all administrative staff and services including premises management and technology support.

Ideally in your 30s with experience gained in a similar professional environment you should be qualified as a Chartered Accountant or as a Chartered Secretary.

Reporting to the Management Committee you will provide the Partners with wide ranging support and play an important role in the management and development of the practice. The appointment is viewed as a long term role and will evolve as the firm grows. The Partners will be receptive to innovation promoting efficiency and will delegate further responsibilities to suit your aspirations and abilities.

Please write, enclosing a full career/salary history and daytime telephone number, to John Sleight FCCA quoting reference J/882/F.

### MARKETING ACCOUNTANTS £25 - £30,000

Our client is a leisure, hotels and property group which seeks to take on several young Accountants (ACA/ACMA/ACCA) or MBAs to assist line managers within the various operating divisions with preparing business plans, reviewing possible acquisitions/disposals and other ad-hoc duties.

In the first instance, please contact NICK PASHA at the address shown.

### MANAGER OF REPORTING AND ANALYSIS £28 - £35,000

Our client is a major UK plc involved in distribution. The Board has sanctioned an ambitious expansion plan for the next 3-5 years which has given rise to this newly created position. The candidate sought must have an above average academic background and be highly creative and innovative and could be from the profession, or have gained post-qualifying experience in industry/commerce. Some overseas travel to Europe and USA may be required from time to time.

In the first instance, please contact ANTHONY JUSTIN at the address shown.

### GROUP CHIEF ACCOUNTANT £30 - £40,000

Our client is a highly respected, international, diverse conglomerate with interests in the UK, Europe and USA. Using its firm asset base and strong cash flow, the company is committed to developing its existing operations and to seek new ventures. Due to this expansion a new position has been created for a qualified experienced Accountant to assist the GPC.

In the first instance, please contact ANTHONY JUSTIN at the address shown.

### LEVERAGED FINANCE/MANAGEMENT BUY OUTS c.£40k + Mortgage + bonus

Our client is a first class British merchant bank, hitherto more well known in the area of mergers and acquisitions and corporate advisory work, but looking to increase their presence in this rapidly developing area. They are seeking an ACA with around one year's experience of analysing highly leveraged transactions.

In the first instance, please contact NICK PASHA at the address shown.

### CORPORATE FINANCE c.£25 - £35,000 + Mortgage + bonus

Our client is a leading International Merchant Bank, pro-active in all major areas of corporate finance. They require a newly/recently qualified ACA to augment their acquisition research team. First class analytical qualities are assumed, as is the longer term ability to initiate and lead transactions.

In the first instance, please contact GORDON VON ABBEN at the address shown.

### VENTURE CAPITAL To £40k + car

We are currently seeking to recruit several young Accountants for three of our venture capital clients. Two of the posts require a newly qualified Chartered Accountant with an outstanding academic track record. The third position is for a graduate ACMA with industrial experience.

In the first instance, please contact NEIL HUTCHINSON at the address shown.

**ACUMEN ASSOCIATES LTD.**

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# 金融財務コンサルタント

Join a specialised Japanese group within our growing European Financial Services Division

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この業務拡張計画において、最も重要な目標の一つに、日本の主要銀行、証券会社、保険会社などの金融機関へのコンサルタント業務を更に強化することがあります。この目標を達成のために、当コンサルタント業務で、重要な役割を担う日本人あるいは日本語の堪能なスタッフを追加募集しております。

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年齢が25歳から35歳まで、適した経験と意欲を持っているとお考えならば、是非採用の機会についてお話しさせていただきますと考へます。MCS の件と記して、英語の手紙で Anita Harris, Price Waterhouse Management Consultants, 1 London Bridge, London SE1 9QL 宛ご連絡下さい。電話にてご連絡いただく場合はあるいは同上の番号で内線4015のウツ・ライフ (Utz Reiff) とお話し下さい 01-378-7200。

Price Waterhouse



# Head of Audit

c.£55,000 Package + Executive Car

This client is a well established and highly reputable financial services group, whose subsidiaries hold a high profile position in their respective markets.

They wish to appoint a Head of Audit who will bring firm leadership to the function both in the relationships with a confident and successful top management, a strong audit committee, and external professionals and regulatory organisations; and in the internal development of the corporate audit teams, audit strategy and standards.

The personal qualities to work successfully and easily at Board level are essential. Experience should include a senior level internal audit appointment and a successful career in a big eight firm. Location - City. Age guideline - 35+.

Please apply in confidence quoting Ref L430 to:-

Brian H. Mason  
Mason & Nurse Associates  
1 Lancaster Place, Strand  
London WC2E 7EB  
Tel: 01-240 7805

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# Pilar

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We are a highly profitable investment group involved in Banking, Insurance, Real Estate and Finance throughout the world. The group is under the personal control of the Chairman. Our prestigious head office is in the tax-free Principality of Monaco on the Riviera.

We are looking to expand our professional team by recruiting two qualified accountants, preferably with a knowledge of French or Italian.

**Group Accountant**, reporting directly to the Chairman. You will need experience in multi-currency accounting and group consolidations, a knowledge of pc applications, considerable communication skills, a willingness to take responsibility and the ability to be self motivated. This is an exciting and challenging position, with full involvement in every aspect of financial and management accounting.

**Financial Controller** for our new European Franchise venture. You will work closely with the Financial Director, to whom you will report. You must be prepared to cover the whole spectrum of international financial and management accounting. This is a hands-on role, requiring excellent communication, interpersonal and decision making skills. You will also need the energy to undertake a number of projects simultaneously. You should have the maturity to deal with senior management and have gained a strong commercial awareness with a food or retailing organisation.

Both positions offer attractive tax free salaries of up to £30000, you will be able to enjoy the pleasant lifestyle and climate of the French Riviera, international travel opportunities, assistance with relocation expenses, prestigious office accommodation, and genuine prospects for career development.

Please send full c.v. and passport photograph to  
Pilar Management SAM, write Box A1404, Financial Times,  
One Southwark Bridge, London SE1 9HL,  
or telephone Elizabeth Bishop on 01-398 5157.

# digital

Tax Manager  
c£35,000 + Car + Benefits  
Reading

One of the world's largest and fastest moving hi-tech companies, Digital's technical operations are supported by a European-wide tax function to match. Effective tax planning is crucial to our continuing success and with over 40% of our European income deriving from combined UK operations we are committed to expanding and developing this area of our expertise.

Due to an internal promotion, we now seek a committed and ambitious UK Tax Manager to be based in Reading. Your brief will be significant: to manage at all levels the tax affairs of the UK organisation, turnover c£1.5 billion, and to ensure that existing and proposed operations are as tax efficient as possible. This is an autonomous, high level, consultancy role, within an organisation which encourages lateral thinking and action. Reporting directly to the European Tax Manager and UK Financial Management, you will be able to call upon a bank of external professional advisers to provide you with consultancy input. There are also opportunities to get involved with US and international tax projects, and attend meetings in the US and Europe.

Either an ACA with 1-3 years' post qualification experience, or already working in commerce, you will be a good communicator, creative and self-motivated

with the ability to work in a team driven environment and communicate with the highest levels of management. Career prospects within Digital are excellent as are the benefits which reflect our major international status and commitment to people. A relocation package is available where appropriate.

Brewer Morris has been retained to advise on this appointment. Please telephone our Consultants, Gavin Burgess or Mark Brewer, on 01-936 2040 (Daytime) or 01-469 2213/01-603 0903 (Evenings and Weekends). Alternatively send your CV to them at Brewer Morris, Pure Taxation Recruitment, Ludgate House, 107 Fleet Street, London EC4A 2AB.

Digital welcomes qualified applicants whatever their background or sex and provides an environment appropriate to the needs of the disabled.

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"Managing the tax affairs of a £1.5 billion organisation - a high level role with real potential."

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FINANCIAL CONTROLLER  
(Director Designate)

£35,000 + car + benefits

Croydon

Citalia is the UK's leading Tour Operator specialising in holidays to Italy. Increasing market share over recent years is proof of a strategy directed at continuing improvement in service and quality standards.

The Financial Controller is responsible for the running of the finance division of 15 staff and reports to the Managing Director. He/she will be fully responsible for all aspects of financial management including reporting, planning and budgeting, and EDP development.

The role calls for a qualified accountant aged 28 to 35 with experience of staff management, an eye for detail, and who is capable of establishing systems in an expanding environment.

Please apply in writing with CV, to Miss Jane Gunn, Personnel Administrator, CIT (England) Ltd, Marco Polo House, 3/5 Lansdowne Road, Croydon, CR9 1LL.

# EUROPEAN FINANCE DIRECTOR

Based near HEATHROW Airport

£45,000

+ BONUS + BENEFITS

To apply - please FAX your C.V. to 0784 464643 - send your C.V. or phone - ARTHUR FLITTER, AFA., MECL, MBIM., (Adviser to the Company)

My client is an expanding U.S. controlled Manufacturing/Marketing organisation.

A challenging opportunity awaits a suitably experienced, qualified ACCOUNTANT to join them as a Founder member of a small closely knit Team being assembled to control and further develop their associated Pan-European interests.

The role calls for proven experience in Financial Management in Europe - with skills in Consolidations, Acquisitions, Taxation, Funding, Treasury, Legal Matters, Planning, Reporting, Reviewing, Budgets, Analysis, Systems Development and Internal Audit.

Applicants should preferably be aged 35 - 45, qualified and ideally with fluency in French (or another European language). Strong Commercial awareness is necessary - the position will call for frequent European travel.

The European Corporate Offices will be based near to Heathrow Airport.

Beaumont  
Accountancy  
Recruitment

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# Finance Director Specialist Finance House

c.£45,000 Package

South Coast

An outstanding Financial Manager with service industry background to work closely with the Managing Director, developing the future strategy of this highly profitable specialist financing subsidiary of a major UK Bank.

### THE COMPANY

- ◇ Leading Business Finance company owned by a major UK clearing bank.
- ◇ Superb record of growth and profitability. Significant market share.
- ◇ Stable and experienced management team.

### THE POSITION

- ◇ Newly created board position to head full accounting, administration and allied functions.
- ◇ Key role in strategic development for this fast-moving company.
- ◇ Strong emphasis on systems control and development.

### QUALIFICATIONS

- ◇ Accountant with outstanding intellect and academic qualifications. Systems development expertise vital. Aged early 30s.
- ◇ Management experience in a commercial or service business, not necessarily in the Financial Services sector.
- ◇ Strategically and commercially oriented executive to interpret the impact of financial information on future direction of the business.

### THE REWARDS

- ◇ Excellent base salary, bonus opportunity, full banking sector benefits. Relocation package to this very attractive location.

Please reply in writing, enclosing full cv. Reference: BH1761

NBS, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.



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West London to £30,000 + car

- ▲ BLUE CHIP PLC
- ▲ EXCELLENT PROSPECTS
- ▲ HIGH PROFILE ROLE

Major pharmaceutical company seeks a qualified accountant for a varied role producing management and statutory information, being involved throughout a number of business areas. The role demands enthusiasm, strong man management skills and a good personality.

Contact Liz Osborne on 01-836 9501. Ref FT2311A

**TREASURY ANALYST**

West End c. £27,000

- ▲ PROPERTY PLC
- ▲ INTERNATIONAL FLAVOUR

This Blue Chip property plc seeks a recently qualified ACA for an unusual and commercially driven role. The major responsibilities are investment of cash, FX and liaison with the City. However, 30% of the role entails ad hoc analytical projects. Excellent exposure and prospects.

Contact Deborah Sherry on 01-836 9501. Ref FT2311B

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Contact Pippa Curtis on 01-836 9501. Ref FT2311C

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City £40,000

- ▲ BLUE CHIP BACKING
- ▲ QUALITY REPUTATION

This young and growing finance house is seeking an executive to assist in analysing and putting into operation capital packages for acquisitions, recapitalisations and management buyouts. The client seeks a high quality ACA with experience in venture capital or corporate finance.

Contact Liz Osborne on 01-836 9501. Ref FT2311D

**CORPORATE FINANCE**

City c. £35,000 + benefits

- ▲ M & A SPECIALIST
- ▲ MANAGERIAL ROLE

Fast expanding Corporate Finance team of respected Merchant Bank seeks ACA with 2 years' post qualification mergers/acquisitions experience for managerial role. High level exposure internally and externally combined with broad client base makes this an outstanding opportunity for the ambitious self starter.

Contact Tom Seaden on 01-836 9501. Ref FT2311E

**BUSINESS CONSULTANCY**

London to £37,000 + car

- ▲ HIGH FLYERS
- ▲ COMMERCIAL EXPOSURE
- ▲ CHALLENGE

This growing practice group of a major international consultancy requires a graduate accountant, aged 26-32. The consultancy deals with strategic and organisational issues, and specialises in advice on business appraisals, viability/feasibility studies, efficient reviews, profit improvement and post-acquisition support. You should have a track-record of success, clearly supported by quantifiable achievement.

Please send CV to Ian Tomisson, Douglas Llambias Consultancy Services, 430 Strand, London WC2R 0NS quoting ref FT2311F

BIRMINGHAM  
021-233 4421

EDINBURGH  
031-225 7744

GLASGOW  
041-226 3101

LONDON  
01-836 9501

MANCHESTER  
061-236 1553



**Consolidated**

**MANAGEMENT ACCOUNTANT**  
Central London c.£30,000

Consolidated, A US-owned television film production and distribution group, require a Qualified Management Accountant to work in its London office. Working with the Financial Accountant and reporting to the Group President in Los Angeles, the role encompasses the setting up of internal controls and reporting structures, budgeting, cost control, cash flows and the key function of Administration Manager. The successful applicant will have considerable experience in the above, initiative, good communication skills at all levels, knowledge of computer spreadsheets, and the ability to develop and implement systems. With the company expanding rapidly, future prospects are excellent.

For further information contact:  
Accountancy Personnel  
43 Brompton Rd,  
Kingsbridge,  
London SW3 1DE  
Tel: 01-881 5021

CONFIDENTIAL

**COMPLIANCE OFFICER**

CITY c.£30,000+BENEFITS

Established in the early 19th century, our client is one of the oldest, progressive and most reputable futures commissions merchants in operation today. An excellent opportunity has now arisen for a competent lawyer/accountant to specialise in compliance, covering all aspects of regulatory work reporting to AFDB & TSA.

For further information contact:  
Accountancy Personnel  
38-44 Moorgate,  
London EC2R 6EL  
Tel: 01-638 3555

CONFIDENTIAL

**FINANCIAL DIRECTOR DESIGNATE**  
NORTH LONDON £30,000+CAR

Subsidiary of an Engineering Group currently undergoing a substantial period of expansion wish to recruit a self-motivated Qualified Accountant. Reporting to the MD you will be responsible for the development and control of the finance function whilst contributing to the company's objectives of continued growth and profitability. Experience in the development of computer based system in a manufacturing environment would be an advantage. The ideal candidate will be ambitious, resourceful and capable of justifying a Board Appointment. Excellent benefits package includes Pension Scheme and BUPA. Ref: JKUP.

For further information contact:  
Accountancy Personnel  
30-31 The Broadway,  
Ealing W5 2HD  
Tel: 01-578 6585

CONFIDENTIAL

**PROJECT/MANAGEMENT ACCOUNTANT**  
WEST LONDON £24,000+CAR

Our client, rapidly expanding manufacturing and distribution specialists offer a self-motivated Qualified Accountant an exceptional opportunity to develop their potential within a challenging environment. The initial task will be the conversion of software on an established microvax computer system, day to day control of the finance department and investigations into prospective acquisitions. Experience in Data Processing on mini computer applications is necessary. The position is ideal for an ambitious, innovative individual wishing to get involved at a senior level in the development of a prosperous and growing company. Excellent benefits. Ref: JKOV.

For further information contact:  
Accountancy Personnel  
30-31 The Broadway,  
Ealing W5 2HD  
Tel: 01-578 6585

**Accountancy Personnel**  
*You don't just count you matter*

**Ms FINANCE MANAGER**

Hertfordshire c. £27,000 + car

Our client is a leading firm of consulting engineers employing nearly 500 staff, with a turnover of £14m. The UK Head Office is located in central Hertfordshire.

Our task is to assist in the recruitment of a finance manager to undertake a broad accounting role assisted by a small team. Reporting to the group financial controller, responsibilities will include treasury management, preparation and monitoring of budgets, expenditure reporting, and preparation of accounts for the group's subsidiaries.

The ideal candidate will be a computer literate qualified accountant, probably aged around 30, with a sound background in management accounting and control information preferably gained in the service sector. A proactive self-starter with a strong commercial instinct will play a key role in the financial development of the company.

Please write in confidence quoting reference I7009, with full career details and remuneration history to:-

Martyn Clarke, Executive Selection Manager  
Moore Stephens Associates Limited, 1 Snow Hill, London EC1A 2EN.

**MOORE STEPHENS ASSOCIATES**  
MANAGEMENT CONSULTANTS

**Financial Controller/  
Potential Financial Director**

Circa £22,500 + car + relocation to Suffolk + benefits.

An established, progressive, family owned and managed company (sales £2.5 million per annum) requires a Financial Controller/Potential Financial Director.

Reporting directly to, and working closely with, the Managing Director the successful applicant will be responsible for the full finance function in a complex manufacturing enterprise.

This challenging post provides an excellent opportunity to introduce modern financial disciplines with strong commercial involvement as a key member of the top management team.

Candidates should be qualified accountants with first-class experience in costing, computerised accounting, stock control systems and cash control. Reply in confidence to: Patrick Nisbett, Managing Director  
The Lavenham Rug Company Limited, Long Melford, Suffolk CO10 9LL



**FINANCIAL/MANAGEMENT ACCOUNTANT**

W1 Salary £ Neg Package

Our corporate client is an expanding group in the property services industry. They are seeking to recruit a financial/management accountant who will be in control of forecasting, budgeting, systems appraisal, and will be reporting directly to the main board.

The successful applicant will be a suitably qualified accountant, preferably chartered, computer literate, some experience in industry/finance, who possesses strong communication skills and initiative. Working very closely with the main Board, the successful applicant should be commercially aware and will be expected to contribute to the development of the group culminating eventually in becoming Group Financial Director.

Please send your CV to: Richard Kilmor, Gerald Edelman, 25 Harley Street, London W1N 2ER.

**Appointments Advertising**

For further information

call 01-873 3000

Deirdre McCarthy ext 4177

Elizabeth Arthur ext 3694

Nicholas Baker ext 3351

**GROUP FINANCIAL CONTROLLER**

Age 30-45 Hemel Hempstead c.£45,000 package + exec car + benefits

Our client is a manufacturing and distribution public group (t/o £100m) that has grown both organically and by acquisition. As the 1990's approach, the Group has defined a strategy which will strongly commit it to the development of its 3 core businesses by a vigorous marketing policy and efficient use of existing resources. Peripheral activities will be dispensed with; additions will be sought in its determination to increase profitability. To assist the Group FD with the implementation of Group-wide planning policy, exercise tight financial control and responsive reporting, a high-calibre professional is required to head up a small accounting team.

The role will be very demanding and extremely varied. It will encompass monitoring results from subsidiaries, monthly reporting to the Board, forecasting, budgets and consolidations. FIC requirements will include interim and final accounts, as well as liaison with the external auditors. Investigations and circulars relating to disposals and acquisitions will be part of your role as well as many ad hoc assignments. You will also be expected to take a pro-active role generally in systems development.

You will be a qualified accountant, probably chartered, with excellent technical and communication skills. You should be self-motivated, have commercial instincts and a "hands-on" approach. You could be either already in a Group role, or a senior manager in the profession. In either case, you should be able to make a significant impact on the Group in the 1990's.

To apply, please write to or telephone Karen Travis or Lawrence Barnett at our Manchester office, quoting ref MK146.



Amethyst House, Spring Gardens,  
Manchester M2 1EA Tel: 061-834 0618  
Fax: 061-832 9123  
Also at: Birmingham, Leeds, Liverpool,  
Nottingham and Swindon  
ASB RECRUITMENT LTD A Division of ASB Business Exchange Plc

**Financial Director (Designate)**

London EC1 c.£40,000 + car + Profit Share

Our Client, a private, independent trading company with international interests, is looking to recruit a capable, experienced qualified accountant for the position of Financial Director (Designate).

The Company, whose interests embrace the mining and sale of precious minerals, has a turnover of \$200m with a healthy level of profit.

Reporting to the Chairman and Managing Director and working closely with the other directors, the position will have responsibility for the financial, computing, secretarial and administrative activities and ensure that effective control systems are implemented to provide a cost effective service to the Directors. As part of the senior management team the Financial Director (Designate) will be responsible for the reporting requirements of a private company together with responsibility for company secretarial matters.

Applicants for the position, ideally graduates, aged 30-45, should be qualified accountants with at least four years' appropriate management experience gained, preferably, in a trading/service industry environment. Familiarity with small/medium sized organisations and modern computer techniques are essential. Experience of working overseas, together with a working knowledge of French, would prove useful as the role will involve a degree of international travel, mainly in Europe.

Interested candidates should send a detailed comprehensive curriculum vitae, with salary details and quoting reference 4411 to:

Peter Childs, Director  
Pannell Kerr Forster Associates  
New Garden House  
78 Hutton Garden  
London EC1N 8JA



**UK FINANCIAL CONTROLLER**

LONDON W11 CIRCA £32,500 + CAR + Share options

Blenheim Exhibitions Group PLC, with a current annual turnover of over £70 million, has rapidly established itself as the leading and largest exhibition organiser in both the UK and Europe. This period of exceptional growth has been achieved through an aggressive acquisition strategy coupled with strong organic growth and is largely attributable to the Group's young, high-calibre and forward-looking management team.

As a result of this expansion, the group is looking for a dynamic and energetic UK Financial Controller.

Reporting to the UK Finance Director, you will be directly responsible for UK reporting, financial planning and development of the financial control systems throughout

the UK. Ideally you will be aged 27 - 32, a chartered accountant with reporting experience, possess sound commercial judgement and be able to demonstrate significant career progress to date.

This role will appeal to candidates who want to work for a fast moving group, in a close-knit environment, where a "hands on approach" is essential. It offers a significant opportunity for the ideal candidate to play a key role in the group's future development.

Please apply with full cv to:  
Susan Smith  
Blenheim Exhibitions Group PLC  
Blenheim House  
137 Blenheim Crescent  
London W11 2EQ

BLENHEIM EXHIBITIONS GROUP PLC

**GROUP FINANCE DIRECTOR**

Sheffield £30K neg + Equity

Our client is a substantial (t/o c£20M) and growing engineering manufacturing group, with world-wide markets. The Board wishes to appoint a Group Finance Director, also responsible for the Personnel and DP functions, who, in addition to his/her functional activities, will play a strategic role as a member of the Board.

We seek a proactive industry-orientated chartered accountant with presence, authority and sensitivity together with a capacity for managing change. Though some familiarity with the engineering environment would be helpful, of more importance are knowledge of, and experience in, growth in a group context, including acquisitions, and international trading activities.

Remuneration (salary + bonus) around £30K, Car, Pension, Medical/health insurance, Opportunity for equity participation.

For further details write with relevant information to:  
David Mackintosh,  
3i Consultants Ltd,  
34 Park Cross Street,  
Leeds LS1 2QH,  
quoting ref: DM/884.



3i Consultants Ltd  
Human Resources

# Financial Director

East Midlands £33,000 + Car + Bonus

Our client is a highly successful manufacturing group connected with the leisure industry, with a turnover in excess of £20 million. This PLC has grown both organically and by acquisition to become one of the Top 5 in Europe in their field, and has ambitious expansion plans for the future, both in the UK and across the globe.

As Finance Director, you will be one of four executive directors and have full responsibility for the finance function, as well as the Group's Management Information Systems. You will also be expected to use your commercial knowledge in the policy making procedures as a main board Director.

In addition to being a qualified accountant you will:

- ★ have significant experience in the manufacturing sector

- ★ be computer literate
- ★ have a 'hands-on' approach
- ★ be happy in an open management style
- ★ be aged in your late 30's/early 40's
- ★ have sound managerial and interpersonal skills
- ★ receive an excellent remuneration package, including a bonus scheme of 15%, relocation and share options.

If you feel you have the required knowledge and skills please reply enclosing a comprehensive CV to Paul MacIldowie ACA at Michael Page Finance, Imperial Building, Victoria Street, Nottingham NG1 2EX.

**Michael Page Finance**  
International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

# freemans Divisional Accountant

Peterborough to £30,000 + Car + Relocation

Freemans is a highly successful £550 million turnover home shopping group. Their reputation for fast service and innovation has enabled them to gain a major share of the UK mail order market. Freemans is a key Company within the Sears retail group with plans for expansion and increased market penetration that are second to none.

We now need a Divisional Accountant at the Company's Distribution Division based at Peterborough, to head up a mature department responsible for all accounting and finance, purchasing and stock control matters for the division.

Reporting to the Divisional Manager, you will be responsible for over 60 people and will be aided by three Senior Managers. The role will naturally involve responsibility for the completion of all historic accounting data, but will also

encompass the vital business functions of forecasting and budgeting on a rolling basis.

The successful candidate will:

- ★ be a qualified accountant
- ★ have at least three years' post qualification experience
- ★ possess excellent man management skills
- ★ ideally have experience in a related business
- ★ be young enough to see this challenge as a further step in a career within an expanding company
- ★ receive an excellent remuneration package.

Interested candidates should contact Paul MacIldowie ACA on (0602) 483480 or write to him at Michael Page Finance, Imperial Building, Victoria Street, Nottingham, NG1 2EX.



**Michael Page Finance**  
International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

# SENIOR MANAGEMENT ACCOUNTANT

To £32,000  
Car  
Berkshire

Our Client is an international market leader involved in the manufacture, development and marketing of a diverse range of 'household name' branded products. A recent acquisition in the UK has reinforced its position as a major force in the marketplace and has created an organisation structured for expansion.

A senior finance professional is now sought to assist with the management and development of the business. This will be achieved through the provision of high quality management information and the financial control of management accounting records. Responsibilities will involve the supervision of a professional management accounting team, extensive liaison with other senior finance staff as well as exposure at Board level and overall control of the product costs of the company.

Candidates will be qualified Accountants aged 26-35 with post qualification experience gained within a FMCG business. Broad based experience is essential, as well as an ability to manage a complex accounts department responding to strict reporting deadlines.

This autonomous and responsible role offers excellent prospects to full Controllship within two years.

Please apply directly to Suzanne Wood at Robert Half, Freeport, Princess Beatrice House, Victoria Street, Windsor, Berks SL4 1YX. Telephone: 0753 857777, or evenings on 01-876 5405. Alternatively, fax your details on 0753 841676.

Financial Recruitment Specialists  
London - Birmingham - Windsor - Manchester - Bristol - Leeds -  
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## Corporate Controller, Europe SVENSKA FINANS INTERNATIONAL

Based: London £40,000 Package

Svenska Finans International is a highly profitable finance group of a major AAA rated European Bank. We coordinate the provision of 'made to measure' asset based financing to third parties via an expanding network of six European offices. As a result of this growth and the increasing complexity of our European operations, we intend to create the new role of Tax Manager/Controller reporting directly to the Director, Control and Administration.

The principal responsibilities of this position will be to further develop and monitor the financial and statutory reporting process throughout the Group in order to optimise the tax position of all Group Companies.

In particular:

- Monitoring of local financial positions with functional responsibility towards local controllers;
- refine systems of control to ensure compliance with local statutory and EEC regulations, accounting and industry standards;
- filing of appropriate returns with local authorities and liaison with external advisors/auditors regarding statutory accounts, tax returns and other Company Secretary matters.

The successful candidate aged 28-35 years will probably be a chartered accountant with significant experience within the European sphere. In addition he/she will possess:

- experience in Intercompany charges/pricing
- a knowledge of the financial services/leasing sector gained either from within the industry or as an external auditor to financial services/leasing clients
- a broad experience of European tax matters including double tax treaties, withholding taxes, trade taxes, VAT and corporate taxes.
- a knowledge about capital coverage/gearing requirement for Finance companies within EEC.
- a commercial, work orientated approach combined with excellent communication skills.

Due to the international nature of the role, candidates who have the ability to read and speak German will be preferred. A knowledge of either Spanish or a Scandinavian language would also be useful.

This a newly created position which offers excellent opportunities within a fast growing European group with and regular European travel. Interested candidates enclosing a comprehensive curriculum vitae to Thomas Lundqvist, Svenska Finans International, 3-5 Newgate Street, London EC1A 7DA, or telephone him or Paul Turrell on 01-329 4483

# Financial Accounting

in a £1 Billion Business  
c.£33,000 + Quality lease car + first class benefits

Our client is a major, diversified business with a large customer base, on the threshold of significant changes and new challenges.

The role is to develop policies, procedures and controls to meet our client's need for timely and accurate top class financial accounting information, including corporate published accounts. Reporting to the Financial Accountant, you will manage significant staffing and state of the art computer resources to meet challenging objectives.

This senior role offers excellent long term career opportunities. The appointment demands a high calibre qualified accountant with strong analytical ability, well developed managerial skills and a proven track record in a substantial and successful commercial entity.

The comprehensive remuneration package is competitive, including pension and a flexible car scheme. Assistance with relocation costs would be available if necessary and the company offers an attractive working environment.

If you think you are the self-starter we are seeking, please write to Geoffrey Rutland, FCA, AII, at the address below, quoting reference 1671, and giving concise career and salary details and a daytime telephone number, or phone him on 01-583 3303 (office) or 01-878 8395 (home).

**BDO BINDER HAMLIN**  
BDO Binder Hamlyn Management Consultants  
8 St. Bride Street, London EC4A 4DA

# THE FALKLAND ISLANDS COMPANY LIMITED CHIEF EXECUTIVE

To be resident in Stanley, Falkland Islands  
c.£45,000 + Housing + Benefits Package

Following the acquisition of The Falkland Islands Company Limited ("FIC") by Anglo United plc in August 1989, the management structure of FIC is to be strengthened by the appointment of a Chief Executive to be resident in Stanley.

FIC was incorporated by Royal Charter in 1851 and is the major trading force on the Islands. Together with associated companies, its turnover in 1988 was £15m, arising principally from retailing, the farming of 800,000 acres, wool marketing, shipping and deep-sea fishery services.

In recent years the Falkland Islands have enjoyed a period of substantial economic growth; Government revenues now amount to some £40m, a marked increase over less than £1m at the beginning of the decade. Through undertaking an active investment programme, the successful applicant for this very independent command will lead FIC into the 1990s, so ensuring that the company continues to play a major role within the Islands.

The selected candidate will be a first rate entrepreneur. An innovative approach combined with strong management skills is of paramount importance. Though not essential, prior experience of the construction/contracting industry or of international trading may be preferred. A track record of success to date must be demonstrated.

The remuneration package (including share options, education, housing and travel) will be constructed to meet the requirements of the successful applicant, who will enter into a contract for an initial period of up to three years.

Applicants of either sex should send their CV, marked "FIC-to be opened by addressee only", to H S Muirhead Esq., Company Secretary, Anglo United plc, Newgate House, Broombank Road, Chesterfield Derbyshire S41 9JQ

## ANGLO UNITED plc

# INVESTMENT MANAGER

To £25,371 + bonus + Essential User Car Allowance + Relocation expenses to £3,700

Our previous Manager has recently moved to a senior position in the private sector. Have you the ability to:

- maintain oversight of the County's Pension Fund of £430m
- actively manage approximately half of the Fund's investments
- match our current track record of being the second best performing LG Fund over the last five years
- ensure the efficient management of the Council's annual cash flows of approximately £2m and capital borrowing needs of £15m?

If you think you have, then we would like to hear from you. Although not essential, a professional accountancy qualification (preferably CIPFA) would make you an even more attractive proposition.

Interested? Then either George Southern, (Director of Finance) or Ian Crookham, (Senior Assistant Director) on (0482) 867131, ext. 3182 or 3331, would be glad to discuss this opportunity with you on an informal basis. Alternatively, application forms and information pack are obtainable by writing to the Director of Finance, Humberside County Council, County Hall, Beverley HU17 9BA, or by telephoning (0482) 867131, ext. 3381. Closing date 8 December 1989.

**HUMBERSIDE COUNTY COUNCIL**  
Working towards equal opportunities



## GROUP ACCOUNTANT

We are a 'privately' owned, long established, London motor group. We are looking for an energetic young accountant to inject new blood into the business.

We take it for granted that you will be comfortable with computerized management accounting disciplines, and be a competent manager of people.

As well as assuming overall responsibility for the accounting aspects of our business it is imperative that you contribute actively at board level to planning of our continued growth and financial success.

This is a key appointment for us and we offer a substantial salary, company car, BUPA, private pension plan and scope for considerable job satisfaction.

Please apply by letter Box A1396, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

## FINANCIAL ACCOUNTANT COMPANY SECRETARY

CEZIK + BONUS + CAR + BENEFITS CHESHIRE

Supplying and processing raw materials with a turnover of £7.5M, this company now part of a vast worldwide group is preparing for further expansion. The management team now requires an effective Financial Manager capable of significantly contributing to their future growth.

Reporting directly to the Managing Director, you will provide management accounts, forecasts and budgets and be responsible for the complete financial and administrative function.

A qualified Accountant, ideally aged 35-40, with minimum 5 years management experience within a related industry, practical capability, strong man management skills and the desire to be instrumental in future success is essential.

Please apply with full C.V. quoting Ref: FT/FACS, to Alex Mead, PER Recruitment Consultancy, 75 Sankley Street, Warrington, Cheshire WA1 1SL.

**PER RECRUITMENT CONSULTANCY**

# Major Projects Audit

## to £35,000 + Car

Our client is a key player in the provision of high technology services for the aviation industry. The scale of the organisation's ongoing capital investment programme, primarily in the field of sophisticated electronic installations, establishes their need for project audit and review of the highest calibre.

A pro-active and enthusiastic leader, you will bring a progressive and commercial approach to the planning and development of audit as a crucial element in project control. The range of assignments is varied and demanding with total involvement anticipated, of both leader and team, from early contract negotiation to final completion stage.

The role requires a Qualified Accountant with the professional depth and experience of large scale, long term projects to respond fully to the substantial technical and management demands of the position. The ability to work with confidence and influence at senior executive level is vital. Future career prospects are both excellent and diverse. Base Location: Central London.

Please reply in confidence, or telephone for further details, quoting ref E170 to:

Margaret Mitchell FCCA  
Mason & Nurse Associates  
5a Station Road, Egham  
Surrey TW20 9LD. Tel: 0784 71255  
Offices in London, Birmingham and Egham

**Mason & Nurse**  
Selection & Search

# FINANCIAL DIRECTOR

(DESIGNATE)

Age 28-35 c £30,000  
East Midlands + benefits + car

Our client is an autonomous subsidiary of a successful public Group with a roll-on turnover now in excess of £6m. It has built an excellent reputation in its niche sector by establishing an impressive product range through 'in-house' development and selective acquisition of complementary ranges. It has maintained its competitive edge with a major investment programme in 'state of the art' CAD/CAM techniques. With healthy order books and a clearly defined strategy for European expansion, the prospects look very exciting.

Poised to exploit the obvious benefits of 1992, a challenging opportunity has arisen for a finance professional with a proven 'track record' in manufacturing. Reporting to the Managing Director, your role will be to spearhead the finance function, improving where necessary your accounting team, and developing more sophisticated systems. You will set up a coherent management information package, establish tight financial controls, and provide meaningful monthly reporting procedures. Cash management, budgeting and strategic planning are other important features. In fact, as a key member of the executive team your contribution will impact on virtually all aspects of the business.

You will be a clear-thinking and tough-minded qualified accountant with the ability to initiate change as well as the stature to be readily accepted by your colleagues. You should have excellent communication and commercial skills and the ability to lead by example.

To apply, please write to or telephone Chris Davis or Lawrence Barnett at our Birmingham Office, quoting ref BX120.



Wellington House, 34 Waterloo Street,  
Birmingham B2 5JL. Tel: 021-233 0101  
Fax: 021-233 0027

Also at: Leeds, Liverpool, Manchester,  
Nottingham and Swindon  
A Division of ASB Bennett Kingsley Pte

# ACQUISITIONS MANAGER

Surrey c £30K + bonus + car

Our client, an acquisitive UK plc, turnover in excess of £40m, with significant overseas subsidiaries, manufactures and distributes worldwide a range of engineered products. Poised to enter an exciting period of growth, both organic and through acquisitions, they seek to expand the small, high profile, group finance team.

Reporting to the Group Finance Director, the appointee will be an ambitious, qualified accountant, aged 28-32 with experience of acquisitions and a sound knowledge of corporate taxation. Personal qualities sought include drive, commitment, and the ability to contribute at a senior level.

The package includes a salary of circa £30K, bonus, company car plus usual fringe benefits.

For further details and an application form telephone Guildford (0483) 306938 (24 hours), or write in confidence with CV to Peter Page, Senior Consultant, 31 Consultants Limited, 3 The Billings, Walnut Tree Close, Guildford, Surrey GU1 4UL, quoting ref: PP866.

3i Consultants Ltd



# Audit/Technical Manager

## Partner Designate

Cheshire To £30,000 + Car

Our client is a vigorous young Accountancy practice, developing rapidly through acquisition and organic growth. Operating through a branch network it offers a comprehensive range of financial services to a varied and expanding client base.

To facilitate future development a challenging new post has been created and will appeal to a commercially oriented manager who enjoys managing change. You will be responsible for creating a Central Audit Unit embracing the planning and management of the practice's larger audits, together with the appraisal and restructuring of audit and internal compliance programmes. In addition you will control the training and development of all accounting staff.

Our ideal candidate will be a Chartered Accountant with at least four years post qualification experience in the above areas gained within one of the major practices. First class communication skills, the ability to influence change and make things happen are essential.

Conditions of employment are attractive and salary will not be a barrier to the right candidate. Please telephone for an application form (calls are answered 24 hours a day) or send comprehensive curriculum vitae quoting reference number DP/961 to:



Bryan Greenwood  
THE JOHN DALTON PARTNERSHIP LIMITED  
4 Post Office Avenue  
SOUTHPORT PR9 6JG  
Tel: Southport (0704) 35775  
Fax: Southport (0704) 48812

(Applications are open to both male and female candidates)  
THE JOHN DALTON PARTNERSHIP LIMITED  
Management Selection & Recruitment Consultants

ASA International

# Fast track careers, Quality of Life ...

Our client is one of the world's leading energy companies and occupies an important position on the UK economic scene as a major investor and taxpayer, an award winning exporter and a developer of world leading technology. It is part of one of the world's largest companies, a manufacturer of chemicals and speciality products.

Combine this with Aberdeen a city with advanced communication links throughout the business world but at the same time situated within beautiful Scottish countryside. It is a city on the move, developing its future beyond 2000 and providing a quality of life seldom available in the south.

Our client has recently increased its presence in Aberdeen, reflecting its commitment to the long-term future of its business in Scotland, and this has created a number of opportunities in the following areas:

- Investment Appraisal
- Tax/Business Planning
- Management Accounting
- Financial Accounting

The successful management of these complex developments requires well educated, highly motivated finance and accountancy professionals with a strong commercial awareness. The scope not only exists for people to build rewarding careers by making a vital contribution to continued success but also to ensure that the effective combination of quality of life and career development is possible.

Considerable opportunities will be reflected by the following: a package of share options, a company car, a generous pension scheme and a superb recreational policy.

For further information on opportunities within Aberdeen contact Hilary Mackay on (0224) 648062.

69 St Vincent Street  
GLASGOW  
G2 5TF  
041-221 4166

498 Union Street  
ABERDEEN  
AB1 1TS  
0224-648062

63 George Street  
EDINBURGH  
EH2 2JG  
031-226 6222

Ludgate House  
107-111 Fleet Street  
LONDON EC4A 2AB  
01-353 1244

**ASA International**



# FINANCIAL ACCOUNTANT

Buckinghamshire

Age 25-30

Package to £28,000 + Car

Babcock International Group Plc is an international market leader in the fields of power generation, process plant contracting and high integrity engineering.

It has recently established a new head office in Amersham and is looking to recruit a young professional to work within the group accounting function.

The role will encompass all aspects of finance and specifically includes: preparation of published accounts and group budgets, financial systems development, cash flow reporting and cash management.

The role will appeal to enthusiastic, qualified accountants who wish to gain exposure to the highest levels of management in a quality organisation. Candidates must therefore be able to demonstrate excellent communication skills as well as strong technical ability.

The generous salary package reflects the importance of the role. Future prospects will be limited only by personal ability.

Interested applicants should telephone Ken John on 01-437 0464 or write to him, enclosing a detailed CV, at the address below.

**ROBERT WALTERS ASSOCIATES**

RECRUITMENT CONSULTANTS  
Queens House 1 Leicester Place London WC2H 7BP  
Telephone: 01-437 0464

# APPOINTMENTS ADVERTISING

Appears every Wednesday and Thursday

For further information call 01-873 3000

Nicholas Baker ext 3351

Deirdre McCarthy ext 4177

Elizabeth Arthur ext 3694

# Finance Director

East Anglia,  
To £40,000, Car

This highly successful, profit accountable division (T/O £60m+) of a major plc is in the middle of an aggressive business development programme. Further acquisitions in mainland Europe and North America are planned to occur within the next two years.

Reporting to the managing director, the role encompasses all aspects of a senior financial position, with strong emphasis on performance evaluation of operating subsidiaries, working capital management and the development of systems to meet the ever changing needs of the business. As a key member of the divisional board you will provide support and guidance on strategic planning matters. Additionally, you will also be expected to make your own constructive input to this decision making process which will shape the development of the business both at home and overseas.

Candidates, aged 30-40, should be qualified accountants who can demonstrate a strong track record of achievement at Senior Management level within an international, multi-site, manufacturing environment. A businessman, as much as an accountant, your strong character and ambition should be supplemented by first class interpersonal skills. A European language would be advantageous. The package includes relocation assistance to this attractive, yet affordable, part of the South East.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to, D. Pottier, Hoggett Bowers plc, 11-12 Queen Square, BRISTOL, BS1 4NT. 0272-298433, Fax: 0272-279714, quoting Ref: D16015/FT.

# Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR  
A Member of Blue Arrow plc

# Group Finance Director

A key role in an expanding Plc  
Central London  
c £45,000 + benefits package

The company, a fully listed plc operating predominantly in the retail and financial services sectors, is actively pursuing a policy of growth, both organic and through continuing acquisition. A Finance Director is required to help assist this process and to oversee the successful integration of operating subsidiaries into the group. Current turnover is around £50m.

Reporting to, and working closely with, the Chairman the position will play an active role in the group's commercial and strategic decision-making as well as having total responsibility for all aspects of the finance function. This will involve a

review and upgrading of the head office and subsidiary company finance functions especially with regard to the introduction of improved management information systems.

Candidates should be Chartered Accountants with Plc experience who can demonstrate strong commercial decision-making skills while retaining close operating control of a decentralised finance function. This experience should, ideally, have been gained in a service industry environment. Experience of acquisitions, from initial investigation through to successful negotiation would be especially useful. Above all however we seek an individual with the

stature and authority to take control of the function, combined with an innovative, commercially aware and forward-looking approach.

A competitive salary and a benefits package, which includes performance incentives and share options, will be negotiated with the successful candidate. In the first instance please write, enclosing a full CV and quoting reference E/0031 to Christopher Bainton:  
**Executive Selection Division  
Price Waterhouse  
Management Consultants  
No. 1 London Bridge  
London  
SE1 9QL**

Price Waterhouse



## APPOINTMENTS ADVERTISING

Appears every  
Wednesday  
and  
Thursday

For further  
information  
call

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## BUSINESS CONSULTANCY WITH A BRITISH MERCHANT BANK

...AN AVENUE IN BANKING MANAGEMENT  
FOR A TALENTED QUALIFIED ACCOUNTANT

UP TO £34K + BANKING BENEFITS + CAR  
CITY

Our Client is a major UK-based merchant bank with significant activities in banking, fund management and securities trading, and operations in Europe, the USA and the Far East.

They now wish to recruit a qualified Accountant, ideally ACA, who has the ability to reach a senior management position.

The brief involves high-level business analysis, as part of an internal consultancy group, ensuring that operational and I.T. systems are effectively developed to meet the demands of today's volatile marketplace.

The successful candidate will play a pro-active role in the instigation of change. Thus your ability not only to identify problem areas but to

produce and deliver positive solutions is critical.

A further key to success will be your skill in working closely with the bank's I.T. function to ensure effective systems are developed.

A "big 8" background, proven business acumen and first-class leadership skills are essential, while experience of the financial services sector, either directly or in an audit/consultancy role, will also be required.

For an initial discussion, please phone Simon Given on 01-253 7172 during office hours or after hours on 0836 219419.

Alternatively, write to him quoting ref: FT6487 at:  
JM Management Services,  
5 John's Lane, London EC1M 4BH.

JM MANAGEMENT SERVICES

## PARKFIELD GROUP PLC

### ACQUISITIONS/CORPORATE FINANCE EXECUTIVE

Newly Qualified ACA

During the last five years our Client has grown from a single loss-making foundry with sales of £4 million into a highly successful group of companies with a major presence in manufacturing and entertainment. With a turnover in excess of £400 million, Parkfield's exceptional growth has been achieved through a unique blend of acquisitions and major investments.

Parkfield's Corporate Finance team has played a key role in this period of intense activity and will continue to do so in the future. The company now wish to further strengthen the team by recruiting an exceptional young Chartered Accountant who has the potential to develop as a fully fledged member of the team, whose primary involvement is in acquisitions and capital investment appraisal.

You will be exposed to every stage of the acquisition process from identification of potential targets through to completion. This will involve analysing and evaluating the opportunity from the market, strategic and financial viewpoint. You will also be involved in liaising with and co-ordination of third parties, as well as undertaking investigations, preparing due diligence reports and negotiating legal agreements.

Candidates for this rare opportunity will be young newly/recently qualified Chartered Accountants of the highest calibre. Previous experience of Corporate Finance will not be necessary. You must be astute, have exceptional interpersonal skills and must be able to work flexibly in a fast moving and pressured environment.

Please apply directly to Suzanne Wood at Robert Half, Freeport, Princess Beatrice House, Victoria Street, Windsor, Berks SL4 1YY. Telephone: 0753 857777, or evenings on 01-876 5405. Alternatively, fax your details on 0753 841676.

Financial Recruitment Specialists  
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£25-30,000 + Car  
Haslemere Surrey

## Group Accounting Controller

Central London c £40,000 + Car

Our client is a £2 billion turnover UK plc, operating internationally in a variety of high technology industrial sectors. Consistent organic growth and a programme of strategic acquisitions will continue to enhance the Group's market-leader position.

The position of Group Accounting Controller will carry responsibility for:

- Preparation of published accounts observing full regulatory compliance
- Preparation and interpretation of monthly Main Board reports
- Consolidation and review of forecasts and other projections
- Control of the Head Office accounts
- Involvement in the integration of acquisitions

- \* Maintaining close liaison with the Operating Division finance functions and the Central Tax and Treasury operations
- \* Leading and motivating a small central team.

Aged up to 40, the successful candidate will be a graduate Chartered Accountant who has detailed experience of the statutory reporting requirements of a large public group. Key personal attributes will include a high level of professionalism, well-developed leadership qualities and strong communication skills.

Interested applicants should forward a comprehensive Curriculum Vitae, quoting ref: 2615, to Alan Dickinson ACMA, Executive Division, Michael Page Finance, 39-41 Parker Street, London WC2B 5LH. Tel: 01-831 2000.



Michael Page Finance

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

## Mortgage Finance

### FINANCIAL CONTROLLER

c£40,000 + car + mortgage

An independent subsidiary of one of the world's largest and most influential financial services groups, our Central London based client is a rapidly developing mortgage company with a significant presence in its competitive market.

Reporting to the Managing Director, the Financial Controller will play a key role in the further development of the business. Emphasis will be on the financial monitoring of a new joint venture involving regular contact with other areas of the group, specialist mortgage lenders and banks.

Preferably aged under 35, applicants should be qualified accountants with financing or treasury experience, ideally gained in the mortgage finance market. Strong interpersonal skills are required to ensure ready acceptance at senior level. Success in this role is likely to lead to a board appointment.

Please write, enclosing a full career/salary history and daytime telephone number, to David Tod BSc FCA quoting ref. D/883/MF.

## Deputy to Director of Finance

Circa £25,000 + car Midlands

Our client is an established and progressive international service group with a UK turnover in excess of £55 million. Continuing plans for expansion have created the need to strengthen the management team by appointing a deputy to the Director of Finance at the UK Head Office in the Midlands.

Initially you will be responsible for the day-to-day running of the finance team, covering all aspects of accountancy, but, as your skills broaden, so will your involvement in the strategic financial management of the group offering the challenge of a continually developing role.

This new opportunity will appeal to a qualified accountant with two to three years post-qualification experience looking for their next career move with a major company. In addition you will need polished communication skills and the proven ability to manage, motivate and direct staff.

Rewards are excellent and a comprehensive benefits package includes car, assistance with relocation where appropriate and private health care. To apply please write with a full CV to our adviser, Mrs Dorothy Macrow, at the address below, quoting reference number C163/ADE

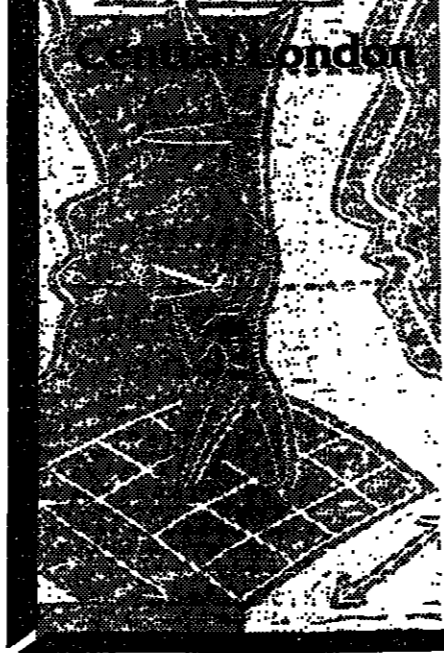


DCN RECRUITMENT SERVICES  
Newman House, Northgate Avenue, Bury St Edmunds, Suffolk IP32 6BB

## Redundant Executives?

Call  
Stephen Price  
01-948 0666

## Initiating change in a leading retail group Manager - Financial Accounts



to £35,000 + generous benefits

This retail fashion group, a household name, owns and operates over 100 stores in prime locations throughout UK. Highly successful and growth-oriented, they plan large scale upgrading of major computer systems and organisational development over the next two to three years.

As a leader in change management your role will involve developing policies, systems and staff (over 30 people) to meet future needs while ensuring production of timely financial accounts to strict deadlines. You will belong to a small senior management team based at Head Office in WI.

The position calls for a qualified accountant, probably aged 30-45, with strong managerial and communications skills. You will be experienced with large computerised accounting systems, ideally in a retail, property or audit background, and be innovative and analytical.

To attract and retain highly motivated people, our client offers an attractive remuneration package, generous benefits and excellent career prospects for the right individual.

Please write, in confidence, giving full career and salary details and contact telephone number, quoting reference 1807, to Barbara Robertson, or call her on 01-583 3303.  
**BDO BINDER HAMLIN Management Consultants**  
8 St. Bride Street, London EC4A 4DA

## ANALYST/RESEARCH Media Investments

Salary to £25,000

A newly formed venture capital organisation which will play a leading role in the formation of the emerging European media market is seeking an Analyst/Researcher

- CANDIDATES SHOULD:
- Be a qualified accountant/business school graduate or have a degree in Economics.
  - Be able to communicate well verbally and in writing.
  - Be interested in the media business.
  - Have some knowledge of a foreign language (especially French).
  - Have commitment and enthusiasm to cope with irregular hours and deadlines.

TO APPLY, PLEASE WRITE AS SOON AS POSSIBLE ENCLOSED YOUR CV. TO BOX A1389, FINANCIAL TIMES, ONE SOUTHWARK BRIDGE, LONDON SE1 9HL

## Group Finance Director International PLC

Salary In Excess Of £65,000 Plus Executive Package

# Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR  
A Member of Blue Arrow plc

Our client is a rapidly developing multi-disciplined industrial plc specialising in environmental engineering, with operations being established throughout the world. The company is controlled from its Head Office based in an attractive part of the Midlands.

The substantial growth of the company has created this main board opportunity reporting directly to the Group Chief Executive. The post demands that you adopt a 'hands on' role in the financial affairs of Group companies whilst also using your skills to develop overall strategy as part of an innovative boardroom team. Candidates must possess the necessary personal impact to take this company forward to international maturity.

You will be a qualified accountant with management experience at a senior level in an international 'blue chip' company. A thorough knowledge of both management and financial accounting with treasury experience is vital. Additional exposure to operating in a manufacturing or engineering environment would be helpful. Candidates under 35 will be unlikely to have the experience for this post, as are those currently earning less than £50,000 per annum.

This is an exceptional opportunity to join an organisation still in an evolutionary stage of its development. For the right individual it will prove an irresistible challenge.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to: J. Jenkins, Hoggett Bowers plc, 13 Frederick Road, Edgbaston, BIRMINGHAM, B15 1JD, 021-455 7575, Fax: 021-454 2338, quoting Ref: B23006/FT.



Join a Winning Team

## FINANCIAL CONTROLLER

Northampton Excellent Negotiable Salary + Car + Bonus

TNT EXPRESS INTERNATIONAL UK are the leading force in European parcel and freight distribution. Providing first class services to an established, comprehensive customer base of large conglomerates and numerous individual customers, the Group are pioneers in the provision of overnight air delivery throughout Europe giving them a significant edge over the competition. With an impressive record of rapid growth, the Group are well placed for further business development.

TNT EXPRESS INTERNATIONAL UK now seeks to appoint a Financial Controller to play a critical role in their on-going success.

The role carries responsibility for the co-ordination, planning and direction of the financial activities of the Group, with the objective of maximising the contribution of financial reporting and control to business planning, day-to-day management, strategic thrust and profit performance.

Of significant importance will be the production of weekly and monthly reports to a strict timetable and to exacting standards.

To succeed in this role you will be a highly motivated, young Chartered Accountant with the desire to succeed in a fast moving, results orientated environment.

To find out about this exciting opportunity, please telephone Steven French on 021-233 1666, or alternatively, write to him with a full curriculum vitae quoting reference B/241/89.



Peat Marwick McLintock

Executive Selection

Peat House, 2 Cornwall Street, Birmingham B3 2DL

## Senior Management Accountant

Financial Services c£33,000 + Car + Benefits  
Central London (Relocating to North London 1990)

Our client is a rapidly expanding financial/business services organisation. The recent past has seen significant expansion throughout the UK and future plans show further growth. As part of an extensive re-organisation programme they seek to recruit a Senior Management Accountant.

Reporting to the Divisional Manager key areas of responsibility will include:

- \* the preparation and analysis of annual revenue and budget reports for senior management;
- \* liaison with senior management in the monthly analysis of financial performance against budget and proposals for future pricing policies;

\* development and improvements of management information reporting systems.

The successful candidate will be 27-35 years of age, with a professional accounting qualification, a proven track record within a major plc in a computerised accounting environment, and have the maturity and communication skills to deal with senior management of disciplines other than finance.

This is an excellent stepping stone to a more senior role within the organisation.

Interested candidates should call Peter Gerrard on 01-831 2000 or write to him at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.



Michael Page Finance

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

## DIVISIONAL FINANCE DIRECTOR

London-based negotiable remuneration package c.£50,000

THIS NATIONWIDE ORGANISATION with its headquarters in London, provides a range of design, project and maintenance management and estate surveying services. Recently re-organised to maximise potential business opportunities, the group seeks to appoint two Finance Directors, for each of its main operating Divisions with a turnover of approximately £160m and £260m respectively.

Reporting to the Divisional Managing Directors, the Divisional Finance Directors will be key members of each senior management team. They will make a major contribution to the commercial strategy and success of the Divisions by advising on the co-ordination and control of the business activities necessary to achieve increased

profitability and expansion. This will involve the appraisal and evaluation of existing and new business areas, necessitating considerable contact with the business managers.

These positions will appeal to commercially-minded qualified accountants, with experience of managing the finance function in a similar-sized group or division, preferably in the property and/or construction sector. Experience of developing, implementing and enhancing computerised accounting systems is essential.

Candidates should be highly motivated, confident and with the ability to achieve results by example and persuasion.

The remuneration package will include a performance-related bonus.

To apply, please send cv in confidence, indicating current salary, to Fiona McMillan, Ref: 3873/FM/FT, PA Consulting Group, Hyde Park House, 60a Knightsbridge, London SW1X 7LE.



Creating Business Advantage

## COMMERCIAL MANAGER

£27,000 Bonus Executive Car + Benefits

South Manchester



ROBERT HALF MANCHESTER

Outstanding growth coupled with strong marketing drive has made our Client a highly profitable service orientated subsidiary of a major international Plc.

Recognised as market leader in their field, they have exciting future growth plans which necessitate the appointment of a Commercial Manager to join the management team.

Key responsibilities will include the assessment of commercial risk, the management of a large, customer focussed credit function and significant involvement in new product developments.

The successful candidate will be a qualified Accountant, aged 28-35, with sound technical and people management skills. The ability to respond effectively in a fast moving environment along with a desire to contribute significantly within this high profile role is critical.

In exchange for your skills and commitment, our Client provides a generous remuneration package and excellent career prospects. Relocation assistance will be given as appropriate.

Please apply in confidence to Sion Howells at Robert Half, Freepost, Brook House, Spring Gardens, Manchester M2 8BA. Telephone: 061-236 0101 or evenings on 061-480 0590. Alternatively, fax your details on 061-236 1024.

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## Corporate Financial Accounting

Two key roles in BT's Group Finance Department

**CORPORATE ACCOUNTANT**  
c.£27K. Car, Medical Insurance and Employee Share Scheme

**FINANCIAL ACCOUNTANT**  
c.£22K + Large Company Benefits

CENTRAL LONDON/CITY

With 23 million customers and over 245,000 employees, BT is one of Britain's major flagship companies.

For accountants in every sphere there are opportunities for challenging, dynamic work - nowhere more so than in Group Finance where strategies, systems and Treasury operations are developing at tremendous pace.

At Senior level we're looking for a Corporate Accountant to manage the accounting and control of the Corporate HQ Ledger and Group Treasury operations. There will be plenty of scope for innovative development, particularly in the area of database systems and flexible reporting methods. You'll be exposed to a range of treasury instruments including FX and Futures, and will be dealing with a wide spectrum of Group Finance colleagues from the Consolidation Manager and Treasury Dealers to Tax, Insurance and Money Transmission Managers. For this high-profile challenge you must be a fully qualified accountant with at least 2 years exposure to financial sector accounting, either within the profession or the financial services industry. You have a good technical knowledge which will now be able to stretch and develop within the innovative environment.

At a less senior level there is an ideal opportunity for a recently qualified accountant -

or possibly even a finalist - to work in support and gain valuable experience in Headquarters accounting. Your brief will be to ensure prompt and accurate reporting of HQ Finance and Treasury operations and see that proper controls are implemented and adhered to. Management of a small team and the need to work on the development of systems will add an extra dimension of challenge and prepare you for rapid career progress. Treasury experience is not absolutely necessary as we will give you excellent training, however familiarity with computerised accounting systems is required.

If either of these blue-chip opportunities match your ambitions, please ring Marcia Sutton on 01-728 5101 or write with your CV to: Joanna Worrell, British Telecom Recruitment Unit, 3rd Floor, Haselden House, 2-4 Fitzroy Street, London W1P 5AD. Quote ref. FS2. NO AGENCIES PLEASE

British TELECOM

British Telecom is an equal opportunity employer. Applications are welcome from all suitably qualified individuals irrespective of sex, racial origin or disabilities.

## Director of Finance and Administration

Highly Attractive Package (South East)

Our client, part of a U.S. multinational group, are a well known specialist in pharmaceutical chemicals.

Due to internal changes, a vacancy has been created for the above position, which will report directly to the Managing Director.

Essential requirements include a formal accounting qualification, experience of financial management at a senior level within a multinational group and direct international business involvement.

Ideally aged early to mid forties, some experience in public accounting is thought essential, together with at least 10 years industrial exposure, including some experience with the chemical or allied industries.

In addition we seek those with experience of strategic planning, acquisition activities, and information technology.

Management style will be proactive, goal oriented with excellent people and communication skills.

To apply, please submit a brief resume, together with current remuneration level to C & M Consultants, 19/23 Bridge Street, Andover, Hants. SP10 1BE, marked clearly, Ref. 4128.

Applications will be treated in the strictest confidence.

## Financial Directors

To secure the best appointments at senior level needs more than good advice, accurate career objectives and succinct presentation.

InterExec SMI not only provides career advice to successful executives but also retains the unique facility of our subsidiary company InterMox to bridge the critical gap between counselling and the right job.

InterExec SMI Plc  
Landscape House, 19 Charing Cross Road,  
LONDON WC2H 0ES.

The services offered by InterMox is free and can be used independently of the Consulting Service.

## Senior Financial Managers

ARE YOU AN EXCITING ACCOUNTANT? £20-30,000

An extremely well-established firm of Chartered Accountants in the heart of the West End are looking for an erudite, young business innovator. There is a well established team of 40 who have great expansion plans in mind. This position will offer a Partnership to the applicant willing to go all out for building business. If relating to the public, and presenting proposals are amongst your forte please call Sharon or Jumoke on 01-734 0911.

Drake Personnel Recruitment Consultants



Business Development Advisor

Salary £20,813 - £28,159



Black Country House, Round's Green Road, Oldbury, West Midlands B69 2DG

The Black Country Development Corporation wish to appoint a Business Development Advisor to provide advice and guidance to companies operating within this area.

Applicants should have professional qualifications with a background in corporate/financial appraisal and be able to demonstrate from practical experience that they have the ability to provide a wide range of advice on sources of finance from both the public and private sector.

The successful candidate will be highly motivated and keen to make a very positive contribution to the regeneration of the Black Country. It will also need to be shown that the applicant has a determined flexible and adaptable attitude.

The appointment will carry additional benefits which will include car allowance, superannuation and, in appropriate cases, relocation expenses.

For an informal discussion please contact John de Karter or David Sutton on 021-511 2000.

Application forms and job descriptions may be obtained from Linda Clement on the same number.

Closing date for receipt of applications is Monday 4 December 1989.



# IMRO Senior Compliance Officers

IMRO is one of five SROs recognised by the Securities and Investments Board with responsibility for the regulation of investment management in the UK. Included within the IMRO Compliance Department's activities are:-

- \* Regular inspections of IMRO members to ensure that investors are adequately protected
- \* Carrying out special investigations where there is investor risk concern
- \* Regular contacts with Members
- \* Projects related to the development of Conduct of Business Rules.

There is currently a requirement for a number of high calibre professionals to join the existing team.

Candidates will be:-

- \* Graduates, probably with an accountancy qualification
- \* With first-class interpersonal skills
- \* With knowledge of financial services
- \* Keen to enhance their career in a high profile role, working in a fast moving professional environment.

Prospects with IMRO are excellent as is the remuneration package which includes an excellent base salary and mortgage subsidy.

Interested candidates should contact Karin Clarke on 01-831 2000 or write to her at Michael Page City, 39-41 Parker Street, London WC2B 5LF.

**MP**  
Michael Page City  
International Recruitment Consultants  
London Paris Amsterdam Brussels Sydney

### The Company

Our client is a highly respected international firm of chartered accountants. During recent years its tax department has enjoyed substantial growth throughout the country particularly in the North, which is now poised for further growth ensuring a positive outlook for the future.

### The Job

Your key areas of responsibility will be:

- ◆ Maintaining a high quality service to clients.
- ◆ Managing and developing staff.
- ◆ Ensuring profitability of assignments.
- ◆ Developing the tax practice

### The Candidate

You will be a qualified ACA/ATI probably in the 30-35 age range. You should be able to demonstrate a high technical capability in all of the following key areas:

- ◆ Mergers, reorganisations, acquisitions, disposals, MBO's.
- ◆ Employee share schemes and remuneration packages.
- ◆ Corporate tax advice work.
- ◆ Property transactions.
- ◆ Working knowledge of VAT.

### The Prospects

It is envisaged that partnership would be offered in the medium term.

To learn more write or telephone Geoff Sims, Alreside Business Centre, 24-26 Alna Street, Leeds, LS1 4HT. Telephone 0532 461120. All applications should be received by 8th December 1989.



## Hays Executive Selection

Hays

## Senior Corporate Tax Manager

To £45,000 + Car

+ Relocation

+ Benefits

Newcastle or

Leeds Based



## CORPORATE FINANCE - PROFESSIONAL PRACTICE

ELLIOTTS is a fast expanding practice dedicated to serving the needs of entrepreneurially driven companies. Many of our clients have grown with our help to a stage where they are either developing their business by acquisition or through the introduction of equity finance.

We are seeking a qualified accountant to join our Corporate Finance Department as a Partner Designate. The ideal candidate will already be in such a department, have strong interpersonal skills, and be looking to join a team that has a pragmatic approach to problem solving.

In return, we are offering a unique opportunity with a competitive package and the chance to become part of a dynamic team of professionals.

Please forward your C.V. to: The Staff Partner, Elliotts Chartered Accountants, Maypole House, Maypole Road, East Grinstead, West Sussex RH19 1HU.

## FINANCIAL CONTROLLER

## QUALITY PRINTING

E. London

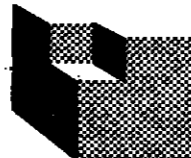
c£28,000 + Car

Our client is an expanding and ambitious high quality printing company specialising in city and commercial printing with particular emphasis on the corporate finance sector.

It now seeks a qualified accountant aged 28-40 to be responsible for reporting and controls, including the development of costing and other management information systems, and to work closely with the Chairman and Managing Director in the profitable development of the company.

Candidates should have a strong costing background and the capability of helping to grow the company in preparation for a stock market quotation. Promotion to Finance Director is anticipated within a period of 12 months.

Please contact D. E. Shribman for further information or write to him at the address below (Fax No: 01-404 5773).



**HUDSON SHRIBMAN**  
VERNON HSE SICLIAN AVE LONDON WC1A 2DH TEL: 01-831 2323  
FINANCIAL RECRUITMENT



## FINANCIAL DIRECTOR

Edinburgh up to £35,000 + car + benefits

Our client, a small but successful property development group, wishes to appoint a Financial Director to the group managing company.

This new appointment, which comes as a direct result of a successful share placing, supports the group's expansion plans and is a unique opportunity to play a major role in the planned development programme within the group.

Reporting to the Executive Directors, a key role will be the negotiation and structuring of financial arrangements with banks and other financial institutions as a source of funding the group's development programme. Also important is the establishment and development of financial and management information systems.

Candidates must be qualified Accountants with several years' financial management experience in a successful industrial or commercial sector. In addition, familiarity with computer systems and the ability to work as a responsible and active participant at top executive team level are essential.

An excellent remuneration and benefits package is offered, together with the opportunity for personal development in the future growth of the group.

Please write in confidence giving concise career and salary details quoting reference C431 to Ron Milne.



**Peat Marwick McLintock**  
Management Consultants  
24 Blythwood Square, Glasgow G2 4QS.

## European Fund Management and Development

**The Company**  
Globe Investment Trust P.L.C. the largest investment trust in the world, currently manages some £1.5bn through its quoted and unquoted investment trust activities. Its pension fund management subsidiary, Globe Money Limited, manages funds in excess of £800m.

**The Position**  
This new key appointment is being created to augment and develop its quoted activities throughout continental Europe. We are seeking a flexible, high calibre individual to assist Globe strengthen its presence in continental markets through quoted equity investments of all types.

**Qualifications**  
This position would suit a graduate aged around 30. Experience and understanding at a high level of these markets and economies is important. The ability to work as part of a small UK/European Fund Management team is vital, as are communication skills.

An attractive and competitive package will be offered to the right candidate. Please reply in writing with full CV to: John Cross, Globe Management Limited, Globe House, 4 Temple Place, London WC2E 8HF.



**Globe Investment Trust P.L.C.**

## Tax Manager

Banking and Financial Services  
City

Highly Competitive Salary (Neg)  
+ Car + Benefits

Spicer & Oppenheim is an international firm of chartered accountants with widely recognised expertise in banking, securities and financial services. The firm's financial services division offers a comprehensive range of business advice including taxation, regulatory and consultancy. This advice is provided not only to the firm's extensive base of audit clients but to a considerable number of other national and international institutions and corporations.

Due to the rapid growth in this area, the tax team is looking to recruit a tax manager with not only first-class technical ability but also a commercial outlook to contribute to the continued success of the firm and its clients.

Candidates must have sound tax experience and the ability to apply it in a realistic, constructive and practical manner. A detailed knowledge of the taxation of financial institutions is not a prerequisite for the post. Promotion prospects are excellent for the right candidate.

Interested candidates should send a detailed CV, including details of current remuneration package, to Joyce Griffiths, Group Personnel Officer, Spicer & Oppenheim, Friary Court, 65 Crutched Friars, London, EC3N 2NE



**SPICER & OPPENHEIM**  
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

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For further  
information

call  
01-873 3000

Deirdre McCarthy  
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## HOTEL

### FINANCIAL CONTROLLER CARIBBEAN

Exceptional opportunity for a qualified Financial Controller with hotel experience in a newly-expanded luxury hotel project on a beautiful, large, English-speaking Caribbean Island.

Salary Range - £25,000/£30,000

Please write with full C.V. to:  
Hotel Properties,  
Suite 500, Chesham House,  
150 Regent Street,  
LONDON, W1R 5FA

## Part or Newly Qualified Management Accountant

It's your business  
to develop systems to  
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development business

To £20k + benefits  
Felixstowe

British  
**TELECOM**

British Telecom Customer Systems works at the forefront of Information Technology, developing leading-edge systems for major companies and organisations.

We are currently seeking a proactive Management Accountant for our product management Centre in Felixstowe to fulfill a demanding brief: to set-up on-site accounting systems, with reporting links to HQ in London, and develop financial controls and monitoring systems to give budget-holding managers an accurate picture of costings, profitability and turnover by product.

You'll need to secure the co-operation of managers, using your initiative and problem-solving capacity to win their support for your ideas. If not already fully qualified you'll be given study leave and course material to help you achieve your professional qualifications and we will pay your exam fees. Ideally you're a graduate with at least 2 years' Management Accounting experience in an Operational Company who recognises this as a stimulating career move. Someone who will make full use of the sophisticated database and spreadsheet systems at your disposal and the management training we offer.

The future prospects and the rewards - including relocation; performance related pay; minimum 5 weeks holiday; and other large company benefits - are attractive, as is the lifestyle offered in and around Felixstowe.

If you're ready to grasp the opportunity, please write with your CV to: Marjorie Lewis, British Telecom Customer Systems Human Resources, Room 5202, BT Centre, 51 Newgate Street, London EC1A 7AJ.

For more information about the job ring Mark Binnerley on 01 356 8793. Quote ref 1V151/F. Closing date for applications Thursday 14th December.

## HEAD OF INTERNAL AUDIT - BAHRAIN

Arab Insurance Group (ARIG) is a major reinsurer which ranks among the top 100 in the world. A substantial capital base gives the company the capacity to cover large risks and has enabled it to build up a fully international and well diversified spread of business. ARIG's global marketing strategy is endorsed by branch offices in Hong Kong and Tunis and a contact office in London.

We are seeking to fill a managerial position to head the internal audit function at the head office in Bahrain. The position involves working with a professional team in a challenging and highly computerised environment.

The ideal candidate would have a suitable accounting/insurance qualification with post qualification audit experience, and would be in the thirties to early forties.

The position offers a competitive tax-free salary and attractive expatriate benefits which include excellent furnished accommodation, insurance and medical covers, children's education assistance, leave travel, end of service benefit, etc.

Please send applications marked with job reference - AUDIT/89 together with C.V. to: Head of Personnel & Training, C/o Arab Insurance Group, Plantation House, 8th floor, Section B, 31-35 Fenchurch Street, London EC3M 3 DX, United Kingdom, or fax to Bahrain on (973) 531 155/530289.



ARAB INSURANCE GROUP (B.S.C.) **ARIG** المجموعة العربية للتأمين (ش.م.ب.)

## FINANCIAL DIRECTOR DESIGNATE To £30,000

TVF is six years old. In that time the company has become one of the UK's largest independent producers of factual programmes for broadcast television. We also have leisure and non-broadcast television interests with a turnover of £6m. We expect similar rapid expansion to continue in this fast changing sector.

The successful candidate will not necessarily require experience of the television or leisure industries, but you will need outstanding qualifications and an ability not only to run the finance department but to exercise financial management throughout the company. Also in a short time we will expect you to play a central role in the running and development of the company as a whole.

We are a young company. We work as a team. This is a new appointment that stems from our success. You will be between 25 and 35. You will relish a vertical learning curve and you will expect to work with others who have your ambition, ability and drive. Otherwise you would be bored.

Please send applications within seven days to:

Linda Ciardiello,  
TVP Group,  
375 City Road,  
LONDON EC1

No Agencies Please

